



MOBILE Banking App REPORT

The Mobile Banking App Report: Tapping Authentication To Boost User Engagement investigates how consumers use mobile banking apps in their everyday lives and explains how financial institutions (FIs) can tailor their app feature offerings to boost their engagement. We surveyed a census-balanced panel of 5,330 adult U.S. consumers to provide a comprehensive overview of what drives consumers to use mobile banking apps and the features that will most encourage their adoption and usage.

MOBILE Banking App REPORT

ACKNOWLEDGMENT

The Mobile Banking App Report was done in collaboration with Entersekt, and PYMNTS is grateful for the company's support and insight. [PYMNTS.com](https://www.pymnts.com) retains full editorial control over the following findings, methodology and data analysis.

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Introduction



Some of the largest financial institutions in the United States, including Chase, Capital One, PNC Bank and Navy Federal Credit Union, saw their networks crash on April 15, 2020. It was not the work of hackers, as one might expect, but the result of a surge in the number of consumers logging on to their mobile banking apps.¹ Citizens Bank, SunTrust, TD Bank and U.S. Bank all reported similar outages that same day and warned their users that their apps were down due to heavy network traffic.²

April 15 also marked the day when U.S. consumers were scheduled to receive their federal stimulus checks from the Internal Revenue Service (IRS). Consumers across the nation turned to their mobile apps en masse to check if they had received their stimulus funds, and other consumers were increasing their mobile banking use as well. A 200 percent uptick in mobile banking registrations occurred in the month of April, and many first-time users tried mobile banking apps for the explicit purpose of being able to check stimulus payments' statuses.³

51%
of mobile banking
app users are **using
those apps more
often** now than
they did before the
pandemic began.

¹ Rayome, A. Online banking struggles as people check for coronavirus stimulus checks. CNET. 2020. <https://www.cnet.com/personal-finance/online-banking-struggling-as-people-check-for-coronavirus-stimulus-checks/>. Accessed October 2020.

² Mobile banking issues reported with different banks as people check for stimulus checks. 11 News. 2020. <https://www.wpxi.com/news/top-stories/mobile-banking-issues-reported-with-different-banks-people-check-stimulus-checks/MZC4WJEUFGHJPFH47P6IQBQNAV/>. Accessed October 2020.

³ Sheng, E. Coronavirus crisis mobile banking surge is a shift that's likely to stick. CNBC. 2020. <https://www.cnbc.com/2020/05/27/coronavirus-crisis-mobile-banking-surge-is-a-shift-likely-to-stick.html>. Accessed October 2020.

The COVID-19 pandemic has radically changed how consumers bank, and the majority have shifted away from brick-and-mortar branches and ATMs in favor of banking on their mobile devices. Our research shows that 51.1 percent of consumers who now use mobile banking apps are using them more often than they did before the pandemic's onset in March. Consumers are 8.7 percent more likely to be using mobile banking apps now than they were in 2019.

Many of these app users have made this digital shift out of necessity, and not all of them are satisfied with their mobile banking experiences, as 112.6 million U.S. consumers — approximately 48.9 percent of those who have bank accounts — still do not use mobile banking apps. We found that 42.6 percent say they do not use the apps because they do not like their apps' user experiences. Several other factors are also keeping these consumers from using their financial institutions' (FIs') banking apps, and FIs must identify and address these concerns if they hope to convince more consumers to use their offerings.

The Mobile Banking App Report: Tapping Authentication To Boost User Engagement, a PYMNTS and Enterspekt collaboration, aims to understand what FIs can do to help convince these holdouts to make the digital leap to mobile banking. We surveyed a census-balanced panel of 2,581 U.S. consumers to learn about how their mobile banking app use has changed over the past year, the extent to which the COVID-19 pandemic caused this shift and why some consumers are still holding out on mobile banking app adoption.

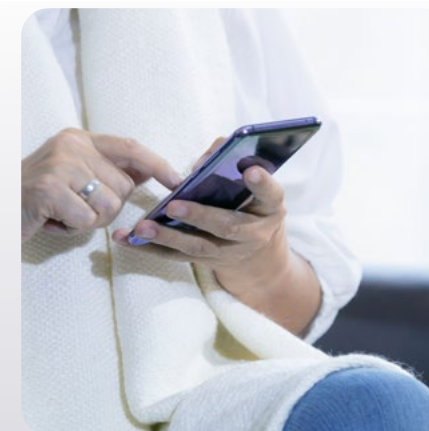
This is what we learned.



More than half of all bank customers in the U.S. — 118 million individuals — now use mobile banking apps.

Mobile banking app usage has increased over the last year, partly because of the COVID-19 pandemic. Our research shows that 51.1 percent of all consumers regularly use mobile banking apps — 8.7 percent more than the share that used them in 2019. This underscores how central mobile banking apps have become to consumers' financial lives.

Usage is notably up among middle-income consumers — those earning between \$50,000 and \$100,000 in annual income. These consumers are also more likely to use banking apps than consumers in other income brackets. Middle-income consumers are 10.2 percent more likely to use mobile banking apps in 2020 than they were in 2019, and 54.9 percent of consumers in this income bracket say they regularly use such apps. We found that 49.9 percent of high-income consumers and 48.8 percent of low-income consumers do the same.



02

FIs have optimized their mobile banking apps for routine transactions, but their UX falls short when it comes to handling more complex tasks.

Consumers who use mobile banking apps are generally happy with apps' user experiences (UX) for routine transactions, such as checking their account balances and depositing checks. Our research shows that 90.2 percent of consumers are "very" or "extremely" satisfied with using mobile banking apps to check their account balances, for example, and 85.2 percent are similarly satisfied with using banking apps to deposit checks.

Mobile banking apps are falling short of consumers' expectations when it comes to making major changes, however. Consumers are far less satisfied with using mobile banking apps to open new accounts or add people to their existing accounts, for example. Our research indicates that only 65.4 percent of app users are "very" or "extremely" satisfied with their experiences in opening new accounts with their banks' mobile apps, and 63.6 percent are "very" or "extremely" satisfied with using their banks' mobile apps to add someone to or remove someone from their accounts.

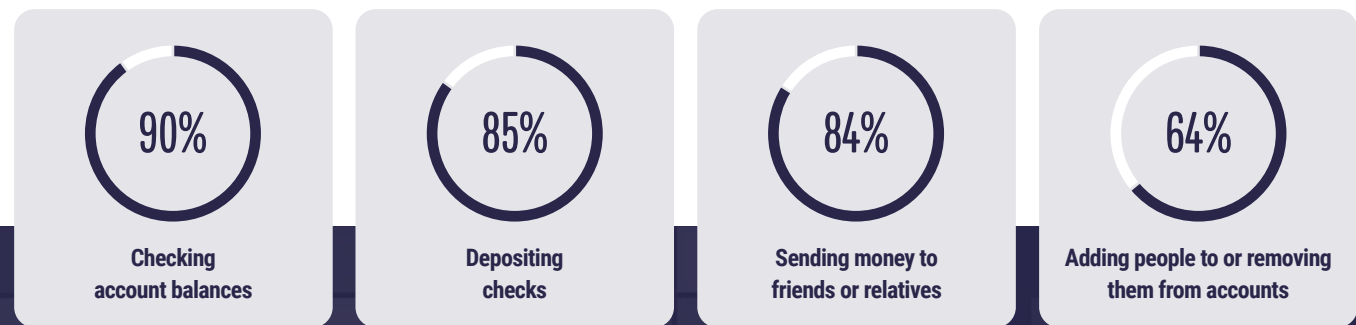
03

Banks could pick up 47.7 million new mobile banking app users if they made it easier for their customers to perform major account changes via their apps. There are 112.6 million U.S. consumers who do not use mobile banking apps, and 42.4 percent say they do not use them because they are dissatisfied with their banking apps' UX for certain transactions.

FIs could vastly improve their customers' likelihood of using mobile banking apps if they enhanced the apps' UX for creating new accounts and adding people to their accounts, among other functions. There are 112.6 million U.S. consumers – 48.9 percent of all consumers in the country – who hold bank accounts but do not use mobile banking apps, and 47.7 million, or 42.4 percent, say they do not use the apps because they dislike their banking apps' UX for actions like opening new accounts or adding new users to their current accounts. Many consumers would thus be more eager to use apps if the UX were better.

Improving mobile banking apps' UX would be particularly useful for Generation Z and millennial consumers. Both generations are more likely to use mobile banking apps than other generations, but those in these age groups who do not use apps are more likely than older age groups to avoid apps because of UX dissatisfaction. Our research shows that 51.6 percent of Gen Z and 46.6 percent of millennial consumers who do not use banking apps cite their dissatisfaction with the UX as a reason, and their most common complaint is that they cannot perform the same banking functions through the app as they can using their FIs' websites.

Share of consumers who are "very" or "extremely" satisfied with using mobile apps _____



04

More banks are requiring their customers to authenticate their identities using their email addresses, but customers would rather use fingerprint scans and PINs.

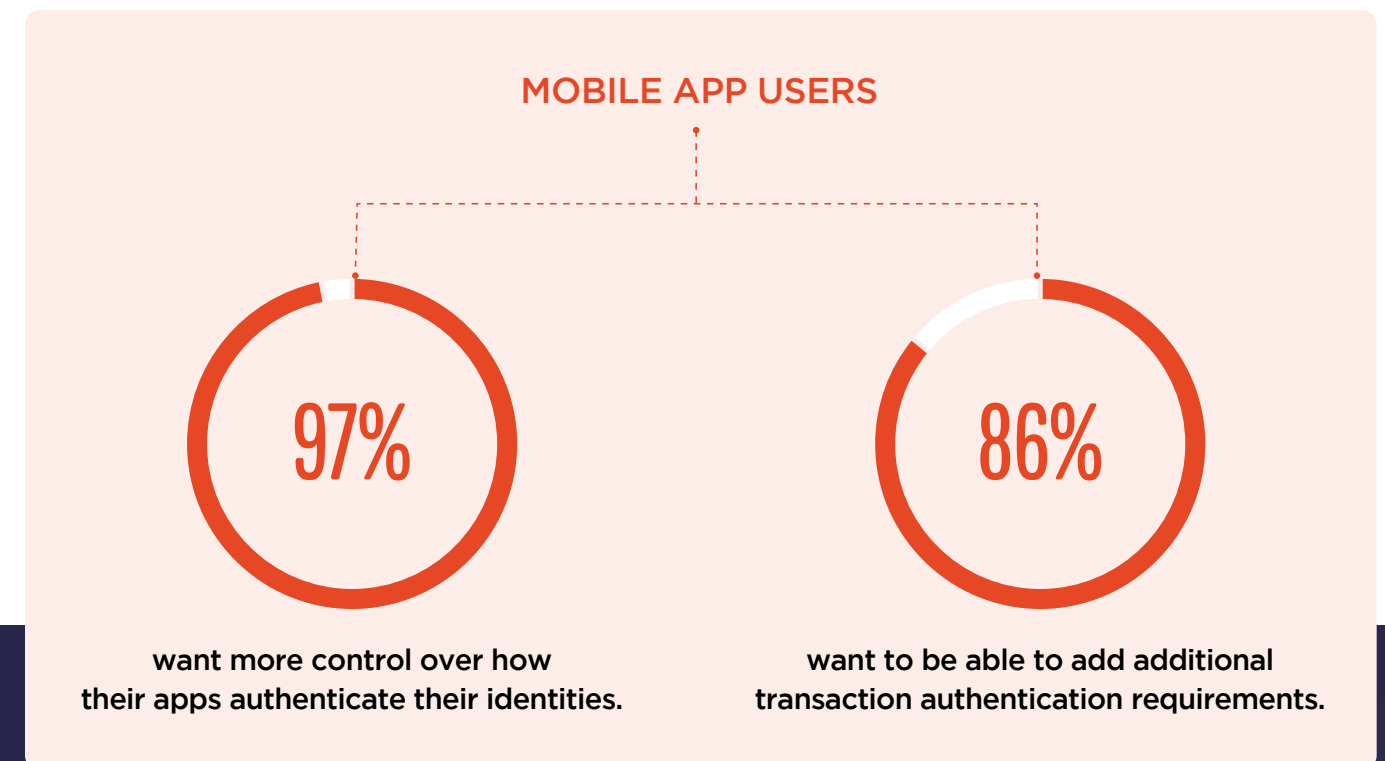
A massive gap exists between how mobile banking app users want to authenticate their identities and how they actually authenticate them. A dramatic and unexpected increase in consumers' tendency to authenticate their identities via email occurred this year, as 14.9 percent of banking app users utilized the authentication method. Just 3.7 percent did so last year, meaning there has been a roughly fourfold increase in the number of banking app users using email addresses to authenticate their identities and sign in to their accounts.

The trouble is that consumers are more satisfied with authenticating their identities using fingerprint scans and PINs — options that are now offered less than they were in 2019. Consumers are 46.1 percent less likely to authenticate their identities for mobile banking login via fingerprint scans in 2020 than they were in 2019, and they are 37.5 percent less likely to use PINs in the same circumstance. These drops have occurred despite the fact that consumers are 20.3 percent more satisfied with fingerprint scans and 10 percent more satisfied with PINs than they are with using email addresses to authenticate their identities on their mobile banking apps. This signals that many FIs are not providing the authentication methods their customers want.

05

Almost all mobile banking app users want more choice in how they authenticate their identities, and they want to choose which transactions require authentication.

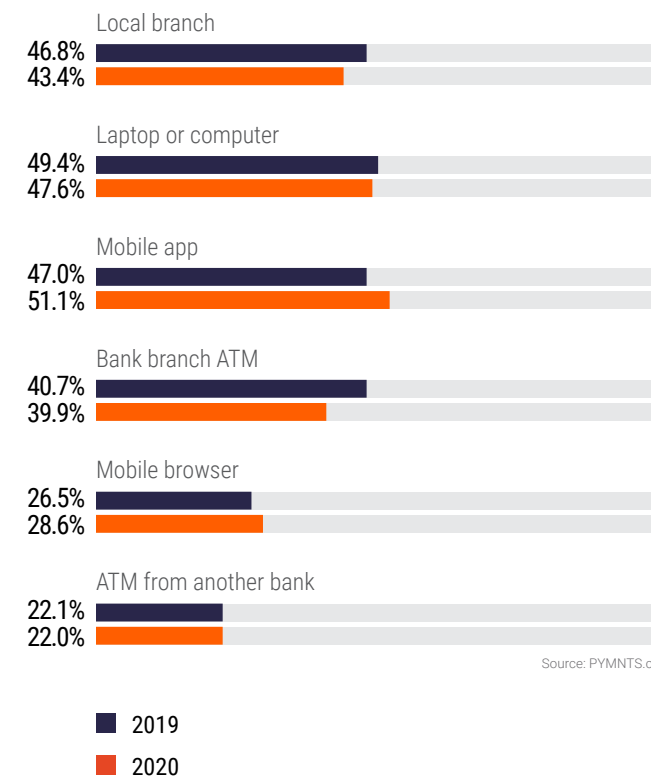
How consumers are asked to authenticate may have shifted during the past year, but their desire for more control over apps' authentication processes is stronger than ever. Our study reveals that 97.3 percent of mobile app users say they want more control over how their apps authenticate their identities, and 86.2 percent want to be able to add additional transaction authentication requirements. Providing users with the control they want over their apps' authentication systems could therefore go a long way in enticing them to make more use of their mobile banking apps.



Mobile banking apps take center stage

Our research shows that consumers are now using mobile banking apps more than any other banking channel, with 51.1 percent of adult U.S. consumers – approximately 118 million people – currently using these apps. This means that mobile banking apps have overtaken laptop and desktop browsers as the most common channel consumers use to bank.

FIGURE 1:
How mobile banking app usage stacks against other banking channels
 Share of consumers using select channels to bank, by year



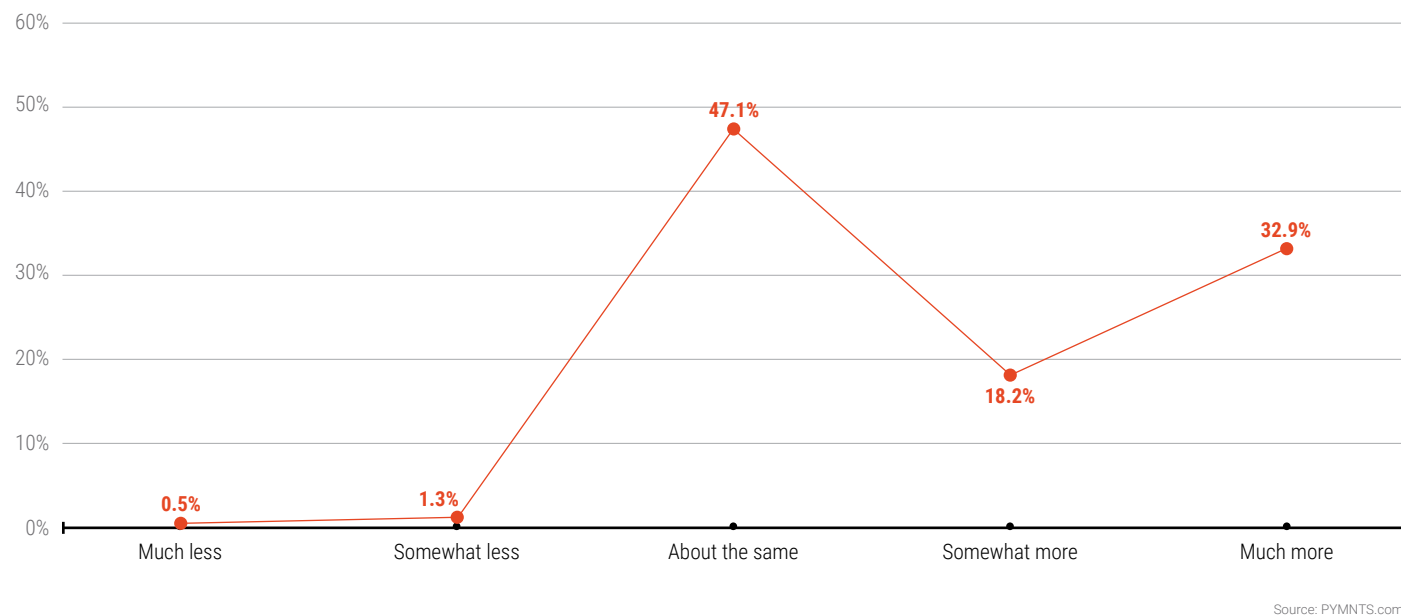
118M
 adult U.S. consumers
 now use **mobile banking apps.**



Consumers are also avoiding brick-and-mortar bank branches as they become increasingly reliant on mobile banking apps: 7.1 percent – or 6 million – fewer consumers are banking at their local branches in 2020 than last year, and 2 percent fewer consumers are using ATMs that their banks own and operate. The only other channel that is more commonly used now than it was last year is mobile browsers. Consumers are 7.7 percent more likely to bank via a mobile browser now than they were in 2019, but such users still make up only 28.6 percent of the banked population – approximately 66 million people.

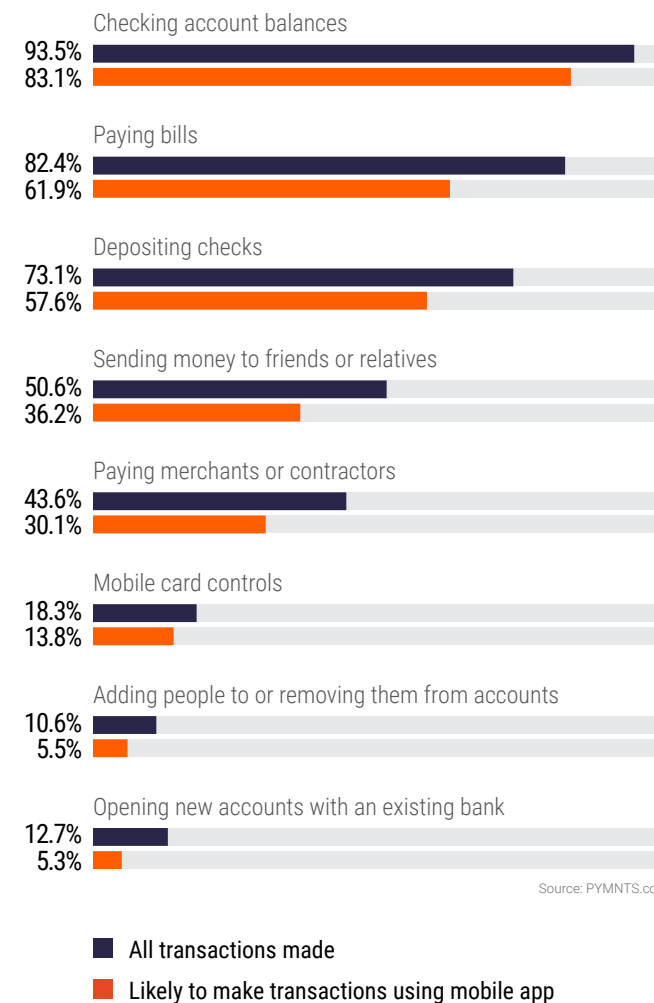
Many consumers also say they are using banking apps more often than they did before the pandemic began. Our research shows that 51.1 percent of all consumers who use mobile apps are using them “somewhat” or “much” more often than they did before the pandemic began, compared to just 1.8 percent who are using them “somewhat” or “much” less than they did before. This strongly suggests that the pandemic has played a major role in driving consumers away from brick-and-mortar branches and ATMs and toward increased mobile banking app usage.

FIGURE 2:
How consumers use mobile banking apps now compared to before the pandemic
 Share of consumers in different income brackets who use mobile banking apps more now than they did before the pandemic



62%
 of all mobile banking app users
 are now likely to **pay their bills via mobile banking app.**

FIGURE 3:
How consumers use their mobile banking apps
 Share of consumers who use their mobile banking apps to make select transactions



The pandemic also appears to be impacting how consumers use their mobile banking apps. Consumers are more likely to use mobile banking apps to perform every type of banking transaction in 2020 than they were one year ago. Our survey shows that 75.2 percent of consumers who have paid their bills during the past year are likely to have done so via mobile banking app, for example. That is also true for the 71.5 percent of consumers who have sent money to friends or relatives during the past year. The only banking activity that the majority of consumers are not likely to perform via mobile banking app in 2020 is opening new accounts, as just 41.2 percent of consumers who have opened accounts during the past year have done so via mobile banking app.

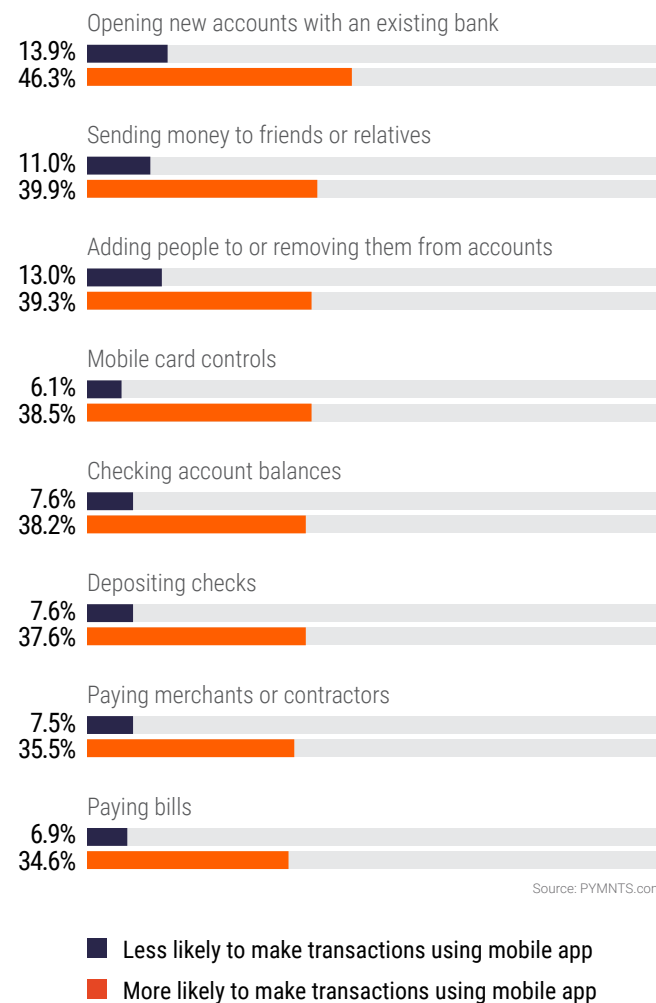
38%

of mobile banking app users who deposit checks are **more likely to do so via app** than before the pandemic began.

FIGURE 4:

How consumers use their mobile banking apps

Share of consumers making select transactions who are either more or less likely to use mobile banking apps to perform those transactions than they were before the pandemic began



A majority of consumers who are using their mobile banking apps to make these and other transactions say they are doing so more now than they did before March 11.

Consumers are five times more likely to use mobile banking apps to pay bills now than they were before the pandemic began, for example, and they are also five times more likely to be depositing checks via mobile banking apps now than they were before the pandemic began. This underscores the extent to which the COVID-19 pandemic has increased consumers' reliance on mobile banking apps not only to manage their bank accounts but also to make routine transactions.



Satisfaction drivers:

Where mobile banking apps perform best and worst

Some consumers who use mobile banking apps began doing so out of necessity during the pandemic, but those who have made the leap to app-based banking are generally satisfied with their digital banking experiences. Their satisfaction varies depending on the transactions they are making, however. Approval is highest when it comes to making routine transactions, such as depositing checks and sending money to friends and family, and tends to be lower for major account changes, such as adding new names to existing accounts or opening entirely new accounts at users' current banks.

Consumers are most satisfied with using mobile banking apps to check their account balances, with 90.2 percent of users who use their apps for this purpose reporting being either "very" or "extremely" satisfied with the process. They are also highly satisfied with depositing checks and paying bills via their mobile apps, with 85.2 percent and 84.3 percent of consumers saying they were "very" or "extremely" satisfied, respectively.

84%
of mobile banking app users are "very" or "extremely" satisfied with the experience of **using those apps to pay their bills.**

MOBILE BANKING APP USERS

are most satisfied with using their apps to complete routine transactions like **checking account balances and paying merchants.**

Transactions list

- 01** Checking account balances
- 02** Depositing checks
- 03** Paying bills
- 04** Mobile card controls
- 05** Sending money to friends or relatives
- 06** Paying merchants or contractors
- 07** Opening new accounts with an existing bank
- 08** Adding people to or removing them from accounts

TABLE 1: Reasons for consumers' satisfaction with mobile banking apps for various transactions
Share of consumers who are "very" or "extremely" satisfied with using apps for select transactions, by reason for satisfaction

	01	02	03	04	05	06	07	08
Satisfaction percentage	90.2%	85.2%	84.3%	84.7%	83.5%	81.9%	65.4%	63.6%
Faster, easier or more convenient	97.9%	97.6%	97.6%	96.8%	96.7%	96.4%	97.8%	89.8%
Better than going to a bank branch	57.4%	50.4%	41.4%	47.5%	41.8%	42.0%	55.6%	43.9%
Safer during the pandemic	44.0%	43.3%	38.2%	44.3%	39.2%	38.5%	50.7%	45.5%
Better than going to an ATM	51.2%	46.5%	37.6%	44.0%	41.1%	38.4%	50.5%	36.0%
Better security	36.7%	29.7%	33.4%	42.6%	32.1%	33.8%	49.7%	25.9%
Better than online banking on computer	37.2%	32.1%	29.8%	39.8%	30.7%	30.9%	39.4%	31.7%
Better fraud protection	23.4%	22.2%	23.5%	35.6%	23.7%	27.3%	33.2%	22.8%
Better than banks' online channels	13.2%	12.4%	11.6%	23.3%	13.9%	13.5%	20.4%	16.1%

Source: PYMNTS.com

TABLE 2: Consumers' banking transaction preferences
Share of consumers who prefer to make transactions using select channels

	01	02	03	04	05	06	07	08
Qualified percentage	93.5%	73.1%	82.4%	18.3%	50.6%	43.6%	12.7%	10.6%
Laptop or desktop computer	37.3%	13.0%	46.2%	28.6%	28.0%	43.5%	45.1%	36.4%
Mobile browser	32.2%	18.1%	29.9%	31.7%	29.3%	31.3%	32.0%	26.9%
Mobile banking app	83.2%	75.5%	68.5%	82.5%	78.8%	69.2%	51.8%	57.0%
Visiting a local branch	8.3%	27.6%	8.1%	11.5%	8.0%	8.0%	40.1%	30.7%
Using an ATM	14.8%	19.6%	7.7%	8.5%	9.0%	9.4%	16.3%	10.1%
Calling the bank by phone	5.7%	1.8%	3.2%	10.0%	3.1%	3.2%	12.8%	10.0%

Source: PYMNTS.com

Fewer consumers are satisfied with the UX associated with making major account changes via app, but the majority are still “very” or “extremely” satisfied doing so. Consumers are least satisfied with adding and removing people from their existing accounts, as just 63.6 percent of consumers reporting being “very” or “extremely” satisfied with this feature.

Convenience is a major satisfaction driver with mobile banking apps. Satisfaction levels may vary depending on the type of transaction being made, but almost all satisfied users say they appreciate mobile apps’ speed, ease of use and convenience. Nearly 100 percent of all consumers are satisfied with their experiences of looking at account balances, depositing checks, paying bills, using mobile card controls, sending funds to friends and relatives, paying merchants and contractors and opening new accounts. Slightly fewer users are satisfied with the speed, ease and convenience of opening new accounts, but numbers are still strong, at 89.8 percent.

Consumers are far less likely to say they are satisfied with mobile banking apps’ security and authentication systems, however. Only 13.2 percent of consumers who use mobile banking apps to check their account balances say they are satisfied because their apps’ authentication methods are better than those of banks’ mobile or desktop browsers, for example. That reason is also cited by 12.4 percent of consumers who are satisfied with depositing checks via apps.

Mobile banking apps are consumers’ first choice, but security-related shortcomings make many consumers favor other channels to perform certain transactions. We found that 45.1 percent of consumers who have opened accounts during the last year would like to do so using laptop or desktop computers, for example, and 40.1 percent say visiting local banking branches is their preferred way to open new accounts. This is a strong statement, given that many brick-and-mortar bank branches in the U.S. are still operating at reduced capacity and shorter hours to slow the spread of the COVID-19 virus.

63%
of consumers are
“very” or “extremely”
satisfied with using
mobile banking apps
**to add new names
to their accounts.**

Improving the banking app

Consumers' mobile banking app usage is higher than ever, but some consumers are still reluctant to adopt these offerings. The 48.9 percent of U.S. consumers with bank accounts who do not use mobile banking apps cite many reasons for not doing so, and the most common is that they prefer banking via different channels. Thirty-three percent of consumers who do not use mobile banking apps say it is because they simply prefer using other methods to bank, and 36.6 percent say it is because it is easier to bank via mobile or laptop browsers.

Security issues also loom large in many users' minds, as 38 percent of consumers who do not use mobile banking apps cite concerns over security and fraud. Thirty percent say they simply do not trust that mobile banking apps are secure, and 18.3 percent say they worry that money could be stolen via their apps. This trust gap is another hurdle that FIs will need to overcome if they want more customers to use their mobile banking apps.

Ease of use is also an issue: 42.4 percent of consumers who are not currently using mobile banking apps say it is because they are not satisfied with those apps' usability. Their

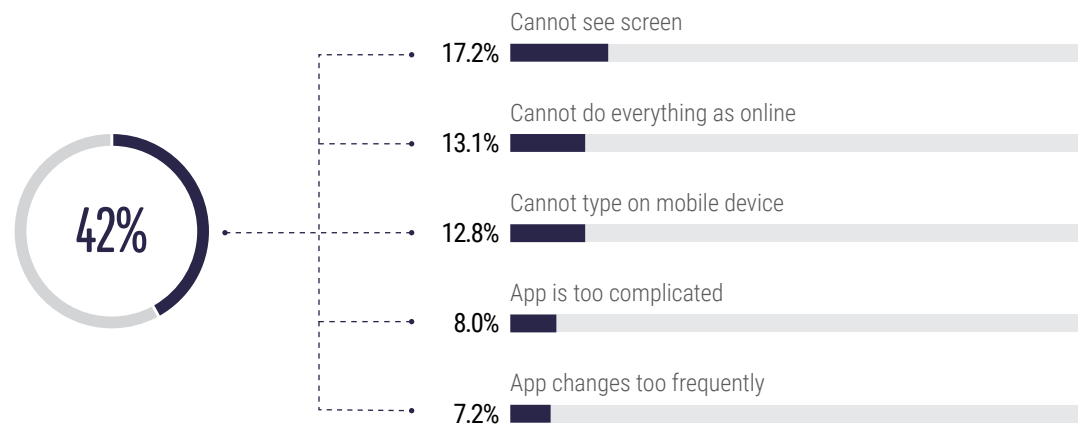
49%
of consumers with
bank accounts **still**
do not use mobile
banking apps.

FIGURE 5:

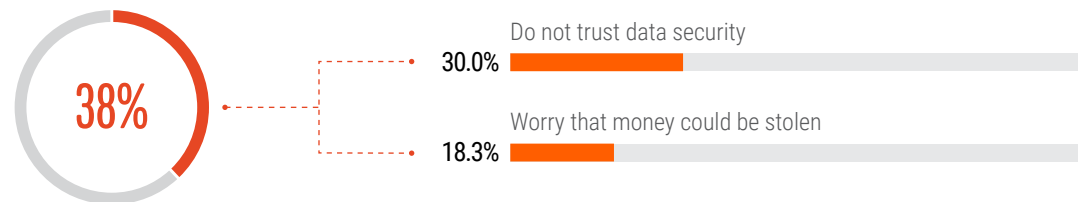
Why some consumers do not use banking apps

Share of consumers who do not use banking apps citing select reasons

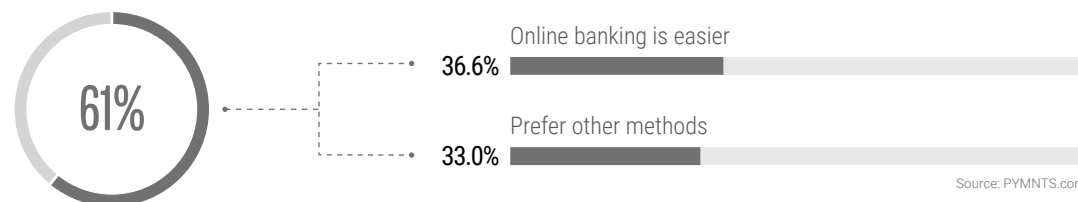
USABILITY



SECURITY AND FRAUD



OTHER METHODS



Source: PYMNTS.com

42%
of consumers who do not use mobile banking apps say it is because **they are not satisfied with their usability.**

most common complaint is that they cannot see as well on their phone screens: 17.2 percent of non-banking app users say this is the case. Some of the other reasons that consumers cite for not using their apps include being unable to conduct as many tasks as they can via the web and an inability to type easily. These represent potential areas of improvement on which FIs should focus to boost their users' satisfaction.






There is nevertheless a great deal of variability in terms of what consumers believe are mobile banking apps' biggest shortcomings, however. Consumers in different age groups tend to cite very different reasons for not using mobile banking apps, especially when it comes to usability.

Baby boomers and seniors' most common concern about their banking apps' UX is that they cannot see their phone screens. Our research shows that 20.8 percent of baby boomers and seniors who do not use mobile banking apps cite being unable to see as a reason not to use the apps, whereas just 8.2 percent of Gen Z consumers say the same. Gen Z is the most likely age group to be dissatisfied with the fact that there are certain functions they cannot perform via the app that they can do online, as 24.7 percent cite this concern.

Millennials have very different qualms with their mobile banking apps' UX. They are the most likely to say their mobile banking apps are either too complicated or that they change too frequently. Fourteen percent of

millennials who do not use banking apps say that those apps are too complicated, and 16.4 percent are unhappy with how frequently they change. This compares to 5.3 percent and 1.5 percent of baby boomers and seniors who do not use mobile banking apps for these reasons, respectively. This signals that FIs will likely need to take a holistic approach to enhancing their mobile banking apps' UX if they wish to increase user satisfaction across all demographic groups.

TABLE 3:
Why consumers in certain generations are less likely to use banking apps
 Share of consumers who do not use banking apps citing select reasons, by generation

	 Generation Z	 Millennials	 Bridge millennials	 Generation X	 Baby boomers and seniors
USABILITY					
• Cannot see screen	8.2%	11.3%	15.6%	18.8%	20.8%
• Cannot do everything as online	24.7%	16.0%	13.2%	14.6%	9.0%
• Cannot type on mobile device	6.1%	9.8%	10.2%	11.9%	15.9%
• App is too complicated	9.2%	14.0%	12.6%	7.5%	5.3%
• App changes too frequently	15.7%	16.4%	14.0%	7.6%	1.5%
SECURITY AND FRAUD					
• Do not trust data security	20.4%	19.8%	24.4%	30.0%	36.3%
• Worry that money could be stolen	23.4%	18.1%	18.7%	15.0%	18.9%
OTHER METHODS					
• Online banking is easier	28.2%	31.8%	33.0%	31.8%	42.3%
• Prefer other methods	23.5%	23.2%	26.1%	29.7%	40.5%

Source: PYMNTS.com

33%
 of bridge millennials
 who do not use
 mobile banking apps
 say it is because
**they believe it is
 easier to bank on
 their FIs' desktop
 or mobile sites.**

The authentication gap

Consumers' login preferences have shifted along with their reliance on mobile banking apps. Passwords are still the most common way that consumers sign in to their apps, and their use has become more common during the past year, with 10.8 percent more app users signing in via password in 2020 than in 2019. More consumers are signing in using their phone numbers as well: Three times as many authenticate their identities in this manner today than did so in 2019.

There has also been a surprising surge in consumers' likelihood to receive authentication emails during login. Three times as many consumers are now using their emails to authenticate signing in on their mobile banking apps than did so in 2019, which could indicate that users are forgetting their login passwords. It is common practice for FIs to enable consumers to reset their passwords if they forget them, and they usually do so by sending them authentication emails.

FIGURE 6:
How consumers authenticate when logging in to their banking apps
 Share of consumers using select primary authentication methods, by year

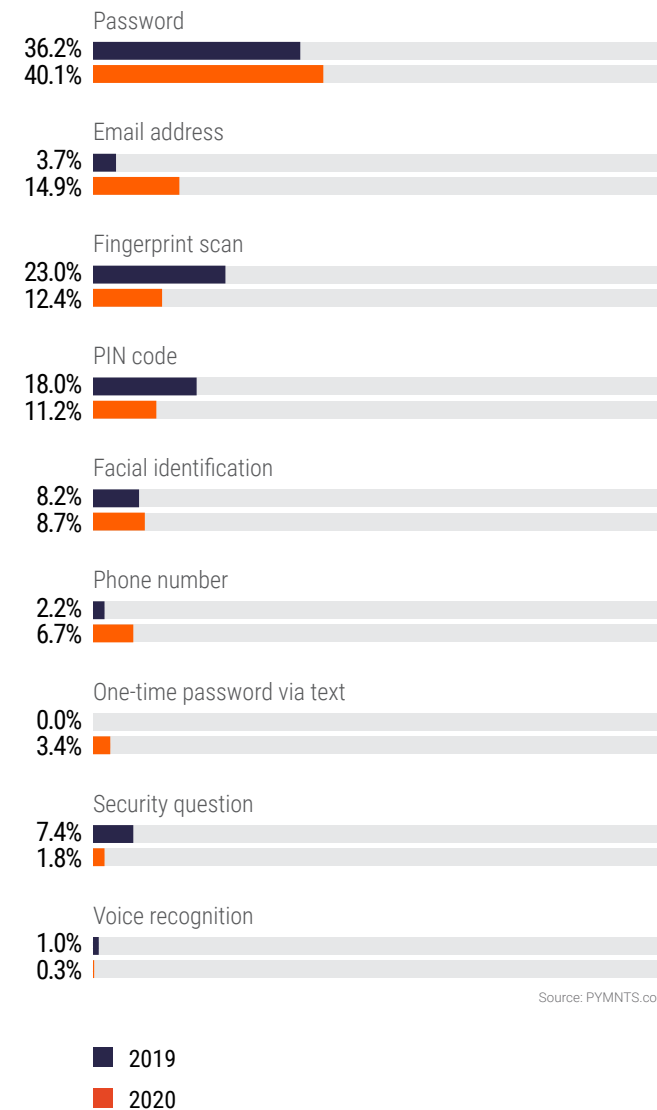
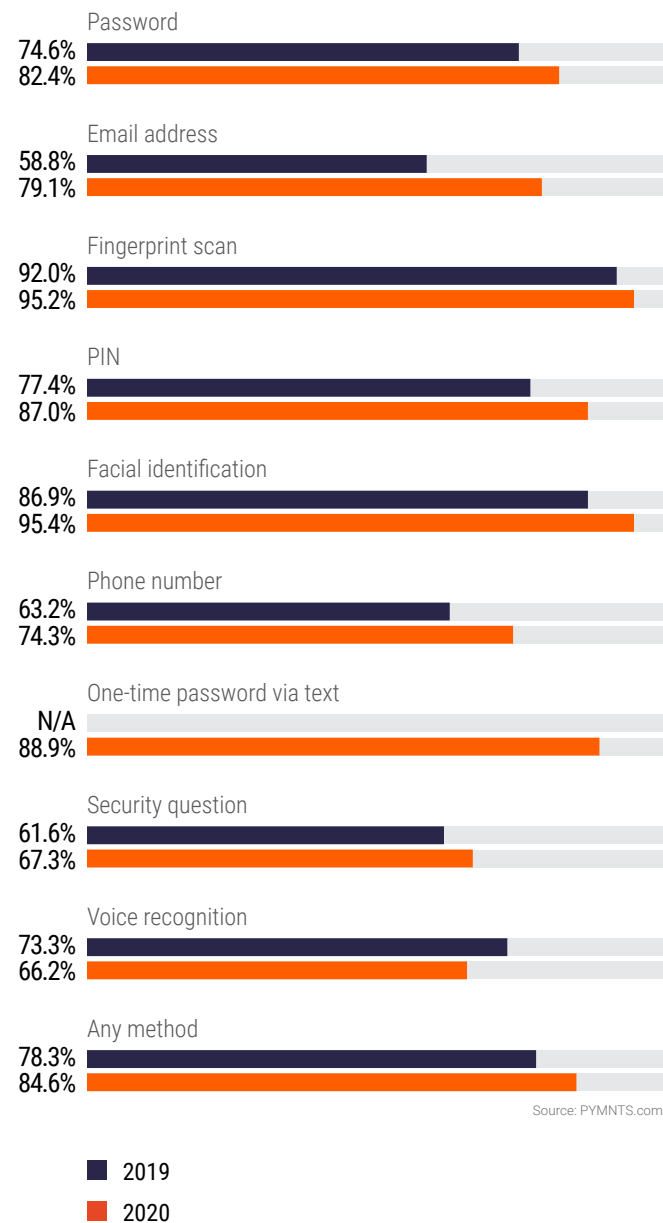


FIGURE 7:
Consumers' satisfaction with how their apps authenticate their identities

Share of consumers who are "very" or "extremely" satisfied with their mobile banking apps' authentication methods



This could explain why more consumers are authenticating their identities with their email addresses even though they are less satisfied with using their email addresses as an authentication method than they are with other methods. Our survey shows that 79.1 percent of consumers who authenticate their identities with emails are "very" or "extremely" satisfied with doing so, but satisfaction is higher among those who use fingerprint scans, facial scans and PINs. Fingerprint scan authentications are down 46.1 percent from last year, and PIN code authentications are down 37.5 percent despite higher satisfaction rates.

Another sign that consumers might be using their email addresses as backup login methods is that consumers who use their email addresses consistently cite fewer reasons for their satisfaction than consumers using other login methods. Our research shows that 64.1 percent and 58.8 percent of consumers who are satisfied with using their email addresses to log in cite ease of use and convenience as reasons for satisfaction, respectively. This compares to 82.4 percent of consumers who cite ease of use and 77.3 percent who cite convenience as their reasons for satisfaction with fingerprint scans.

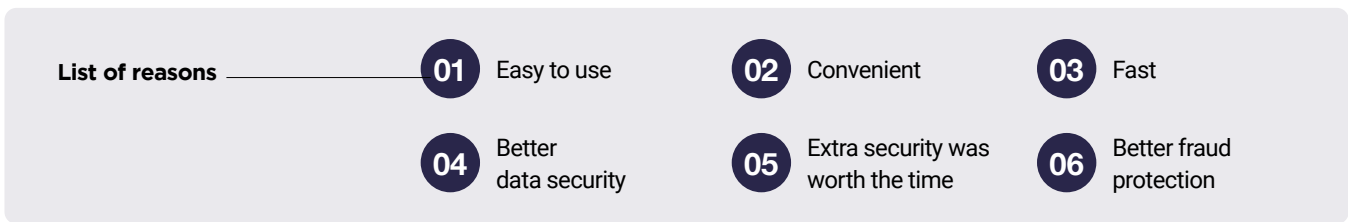


TABLE 4:
Consumers' satisfaction with mobile banking app authentication methods
Share of consumers citing select reasons for satisfaction with their primary authentication methods

	Number	Percentage share	01	02	03	04	05	06	Other
Password	1,020	40.5%	67.5%	65.2%	54.6%	34.0%	30.2%	20.4%	0.7%
Email address	361	14.4%	64.1%	58.8%	55.2%	40.5%	37.4%	34.8%	0.6%
Fingerprint scan	303	12.7%	82.4%	77.3%	83.8%	54.7%	35.3%	44.1%	0.4%
PIN	274	11.3%	68.4%	68.1%	61.8%	43.5%	31.5%	24.0%	0.6%
Facial identification	228	9.0%	80.1%	75.1%	77.0%	46.0%	26.0%	34.5%	1.3%
Phone number	150	6.2%	56.8%	58.5%	59.9%	34.9%	33.8%	30.2%	0.0%
One-time password via text	83	3.4%	66.3%	58.4%	60.4%	54.3%	49.4%	40.3%	0.9%
Security question	43	1.8%	48.6%	38.4%	33.0%	29.2%	30.7%	14.1%	8.1%
Voice recognition	6	0.2%	37.1%	69.0%	42.1%	11.8%	11.1%	11.8%	0.0%
Any method	2,477		69.0%	65.8%	61.2%	40.4%	32.5%	28.4%	0.8%

Source: PYMNTS.com

Consumers' increased usage of emails as an authentication method therefore runs contrary to their relatively low satisfaction with them, especially when compared to other authentication methods. This strongly suggests that this increase is being driven by necessity rather than by preference. It also indicates that consumers' satisfaction with their mobile banking apps' UX could increase if they were given the opportunity to authenticate in the manner of their choosing — a finding that app users reiterate.

Using authentication to boost adoption

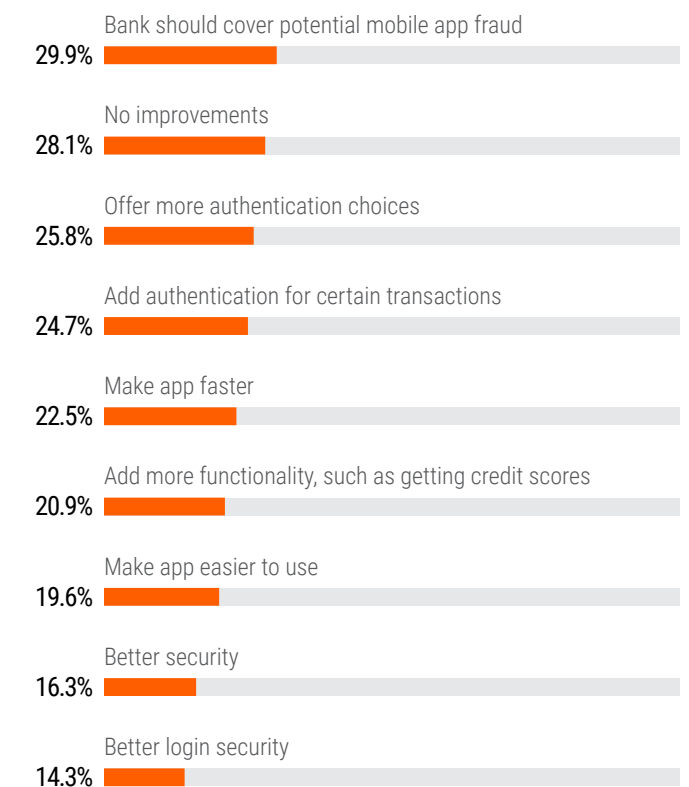
There are many aspects of the mobile banking app experience that FIs can improve to expand their apps' adoption and usage, and adding authentication controls is near the top of the list. Our survey shows that 25.8 percent of consumers would be more likely to use mobile banking apps if those apps gave them more choices of authentication methods than they currently have, making authentication choice the second-most commonly cited improvement that consumers say could increase their app usage. The most common is banks' coverage of potential app fraud, cited by 29.9 percent of consumers. There are 28.1 percent who say that no improvements would encourage them to use mobile banking apps more than they do now.

FIs can provide consumers with transaction-specific authentication options to boost app usage in addition to offering them more choices in how they authenticate their identities. Our research shows that 24.7 percent of consumers claim that having the ability to authenticate specific transactions would make them more inclined to use mobile banking apps. It is the third-most commonly cited factor that consumers say could boost their app usage. Transaction-specific authentication controls include those that require consumers to confirm that they have initiated transactions before processing them as an added security measure. This is an example of what is sometimes referred to as "positive friction," in which consumers do not mind adding a step before completing transactions if it adds value to their experiences.

FIGURE 8:

How FIs can boost their mobile banking app adoption

Share of consumers who say select improvements would make them more likely to use mobile banking apps



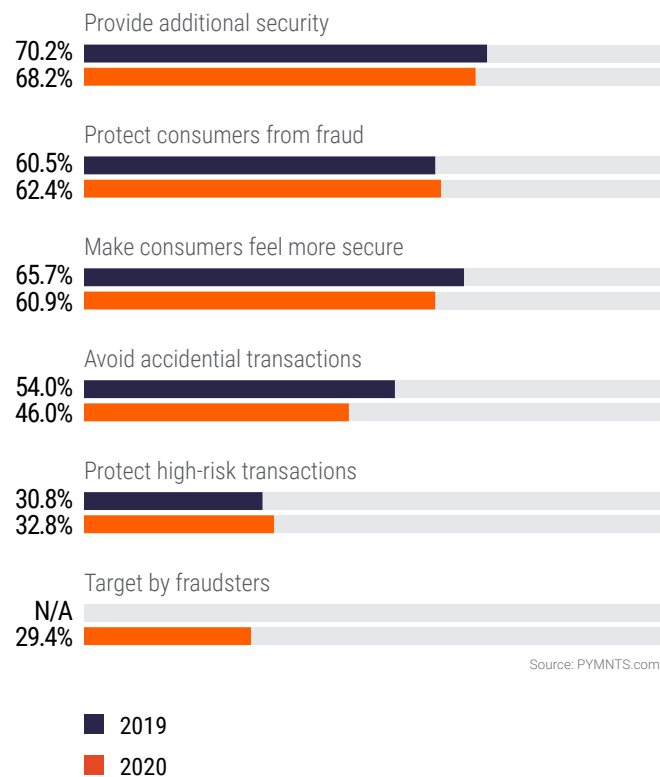
Source: PYMNTS.com

68%

of app users want **transaction-specific authentication options** for the added security.

FIGURE 9:
Why consumers want transaction-specific authentication choices

Share of consumers citing select reasons for wanting transaction-specific authentication methods



Our research shows that 68.2 percent of consumers who would like to authenticate specific transactions want to have the added security that comes with implementing the additional step. We also found that 62.4 percent would appreciate the added protection from fraud and 60.9 percent would feel more secure with an additional authentication step.

Consumers sometimes want that added layer of security to protect their accounts from themselves. Forty-six percent of consumers who would be more likely to use apps if the apps offered transaction-specific authentication controls want the additional controls to help avoid accidental transactions, such as if they entered the wrong amount for a bill or for a transfer to family members and friends.



CONCLUSION

Consumers appreciate the ease and convenience of being able to bank on their mobile phones, but they are less satisfied with the security of the apps that enable them to do so — particularly during the COVID-19 pandemic, when banking in person is more difficult and hazardous. Consumers not only believe that mobile banking apps are less secure than banking via browsers but are also dissatisfied with their lack of control over how their mobile banking apps authenticate their identities, and this reality is hampering mobile banking apps' wider adoption. Offering consumers more control over authentication in their mobile banking apps, such as by allowing them to choose how they would like to log in to their accounts or enabling transaction-specific authentication, can help FIs overcome this shortcoming by giving consumers the peace of mind they need to feel comfortable that their personal information is safe and that they can enjoy the convenience of banking from home without the risk of fraud or sacrificing their personal data security.

Methodology

The Mobile Banking App Report draws from a survey of a census-balanced panel of 5,330 adult U.S. consumers conducted between September 9, 2020, and September 22, 2020. Respondents were 44.2 years of age on average, while 36.7 percent held college degrees and 54.6 percent were female. Our final analysis focused on the 2,581 respondents from this initial sample who had bank accounts, owned mobile devices and used mobile banking apps, allowing us to examine how those members of the adult U.S. population who actively use mobile banking apps leverage them to manage their personal accounts and payments activity.

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