



YouGov®

THE FUTURE OF FINANCIAL SERVICES

A global exploration of evolving trends in the financial services industry

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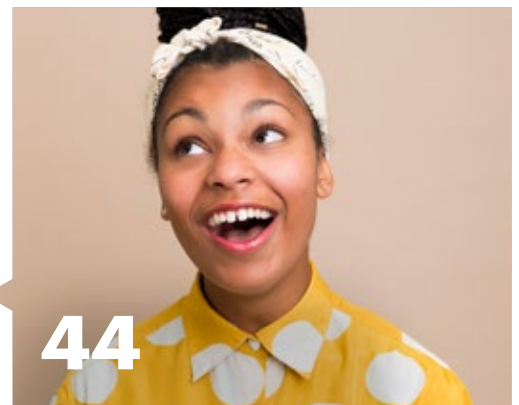
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Introduction

The financial services industry has been undergoing rapid transformation driven by both changing consumer expectations and wider industry fragmentation.

We have seen the profound impact that digitisation has had on consumer behaviours and expectations, and the dramatic effect of the pandemic on both technology change and patterns of behaviour. For established financial services providers, this creates a challenge in terms of being able to understand the rate of change, the potential success and longevity of emerging innovation adoption, and where they should be focussing their own transformation efforts. For new market entrants, the challenge sits in keeping ahead of the innovation curve and understanding how to drive consumer adoption before traditional brands can react.

In addition to these fundamental industry challenges, the entire financial services ecosystem has experienced accelerated industry fragmentation. We have seen the rise of digital-only brands challenging traditional banking spaces, the emergence of new business models and innovations that challenge the industry status quo, and the creation of financial products like cryptocurrency – once seen as having niche and short-lived appeal – becoming more mainstream.

With digital providing reduced cost of entry into the market and the rise of the fintechs increasing competition and consumer expectation, the industry once considered one of the slowest to innovate, is now transforming at an unprecedented rate.

In this YouGov report we set out to explore the current global financial landscape, and identify global adoption of, and trust in, new and emerging financial services.

We investigate consumer sentiment towards a cashless society and how the concept of money has evolved, with a focus on the appetite for **cryptocurrency** adoption both now and in the future.

Against the backdrop of rising inflation and squeezed consumer incomes, we also explore the use of **Buy Now Pay Later (BNPL)** as a part of the consumer borrowing ecosystem.

With the pandemic heightening awareness of issues linked to sustainability, we also delve into **sustainable finance** to understand the degree to which consumers are making sustainable investment choices, and the role that sustainability plays in consumer decision-making when making financial choices

This report uses deep-dive **YouGov Custom Research** across 18 international markets in tandem with syndicated data from **YouGov Profiles**.



SECTION 1

The current global financial landscape

Consumers' choices for performing many banking/finance-related activities have significantly broadened with the proliferation of tech-based solutions. For example, digital banking is no longer only an add-on service to the physical banking experience, but a separate, feature-rich, and often favoured mode of banking. From payments to online stock trading, a growing adoption of fintech solutions is reshaping consumer behaviour. Whilst emerging tech-based solutions are increasingly challenging traditional systems by simplifying processes, lowering costs, and enhancing customer experience, traditional banking and finance products and services have not been ousted from their top positions yet.

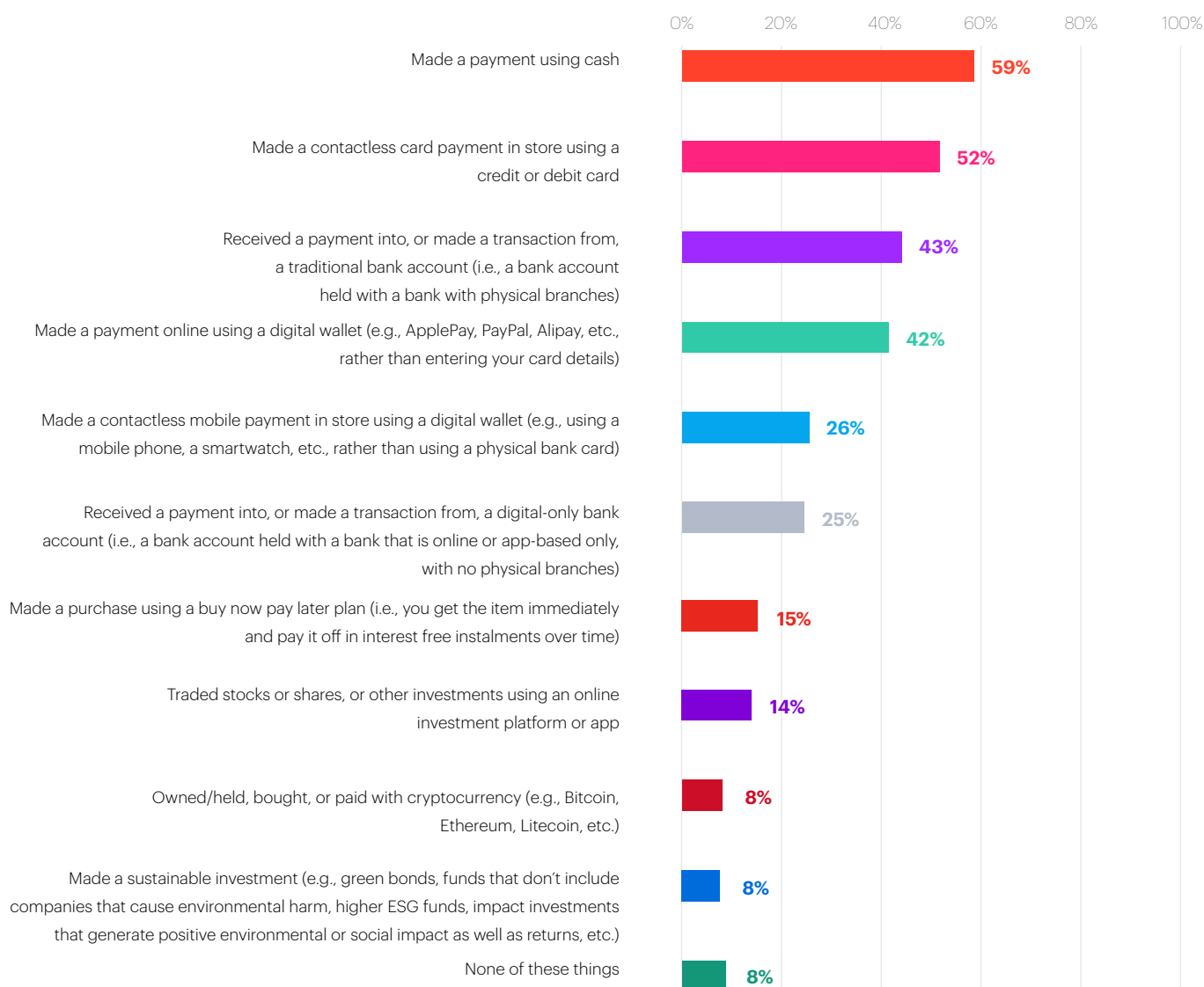
In our YouGov research, we explored finance activities undertaken by global consumers in the last three months to understand the level of usage of different products and services. Across the 18 international markets surveyed, use of traditional finance products emerged as the top three activities. Cash payments topped the list **(59%)**, followed by contactless card payments in store **(52%)** and transacting via a traditional bank account **(43%)**. Digital wallets are the strongest challenger to the top traditional

finance activities undertaken, with over four in ten **(42%)** consumers reporting using a digital wallet to make online payments.

In comparison, consumers' usage of emerging fintech solutions remained relatively low. Whilst a quarter reported transacting via a digital-only bank, only **15%** have made a purchase using a Buy Now Pay Later plan. Transactions relating to cryptocurrency were undertaken by a small **8%** of 'early adopters.'

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Finance activities undertaken in last three months (Global)



Q: Which, if any, of the following have you done in the last three months?

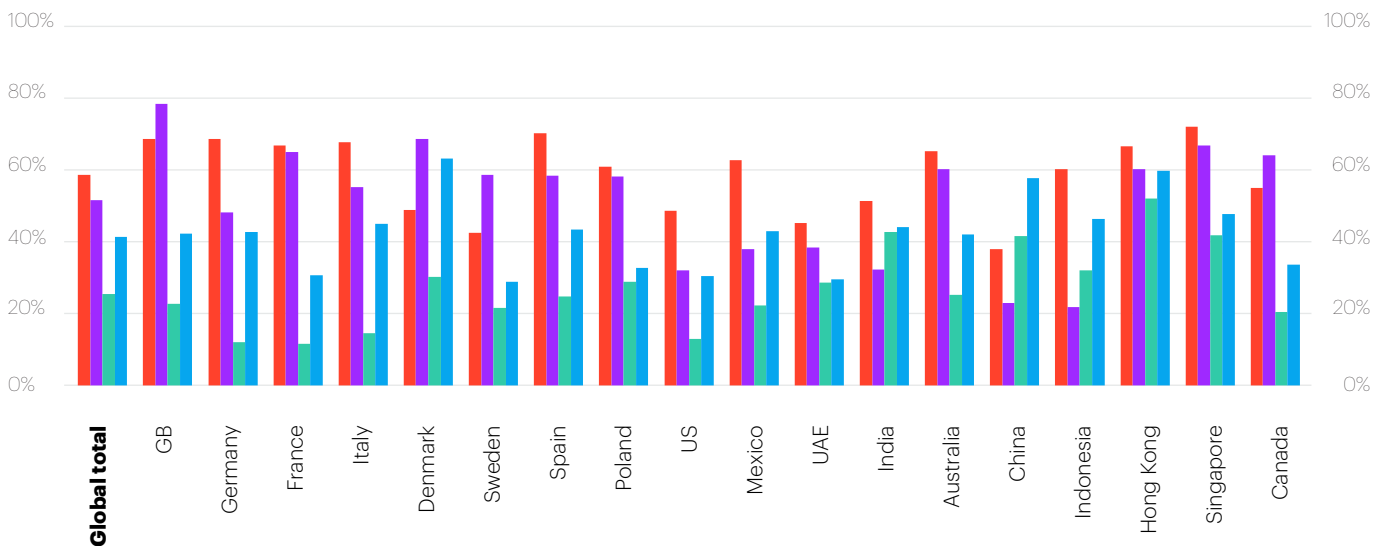


Is contactless the future of payments?

Over the last few years, COVID-19 has considerably influenced consumers' payment behaviours. Initial lockdown restrictions and social distancing protocols triggered a large shift of spending online, accelerating an already growing adoption of digital and contactless payments.

Whilst the proliferation and improved adoption of digital payment choices has undoubtedly taken share away from cash and cards globally, the usage of traditional and digital payment methods varies significantly based on country-specific fintech infrastructures as well as consumer demographics.

Payment methods used in last three months by country



- Made a payment using cash
- Made a contactless card payment in store using a credit or debit card
- Made a contactless mobile payment in store using a digital wallet (e.g., using a mobile phone, a smartwatch, etc., rather than using a physical bank card)
- Made a payment online using a digital wallet (e.g., ApplePay, PayPal, Alipay, etc., rather than entering your card details)

Q: Which, if any, of the following have you done in the last three months?

Almost six in ten global consumers (**59%**) made a cash payment in the last three months, followed by just over half (**52%**), who made a contactless card payment in store and **42%** making online payments via digital wallets. Countries over indexing on using physical cash as a payment method include Singapore (**73%**), and European countries of Spain (**71%**), GB and Germany both on a par

at **69%**, whereas India under indexes on cash payments. By contrast, the US has low levels of adoption of any form of contactless payments.

This is perhaps driven by a more fragmented, and regionalised retail banking market, and therefore a slower roll-out and adoption of contactless payments.

Please note, our samples in East Asian markets such as China, Hong Kong, and Singapore are not all nationally representative (with some being representative of the online or urban population; see methodology for details)

In the last three months, contactless cards were the top payment method used by consumers in GB (**79%**), as well as in the European countries of Denmark (**69%**) and Sweden (**59%**) which are leading efforts to build cashless societies. On the other hand, consumers in Asian countries including Hong Kong (**60%**), China (**58%**) and Singapore (**48%**), had the highest usage of digital wallets for online payments. In the last three months, digital wallets were the top payment method among Chinese consumers, likely driven by the ubiquity of digital wallet giants AliPay and WeChat Pay.

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In terms of age, YouGov data shows that globally, the gap between traditional and digital payments is widest among older consumers. On the other hand, young consumers globally make digital payments at similar levels to their usage of cash and cards. Whilst seven in ten consumers aged **55+** reported making a cash payment in the last three months, this dropped to about four in ten (**38%**) who

reported using a digital wallet for making an online payment. Consumers in the **25-34** and **35-44** age groups had the highest usage of digital wallets for making online payments (**44%** and **46%** respectively). Higher usage of digital wallets among young consumers is likely driven by tech-savviness, higher smartphone usage, and therefore preference for seamless and convenient digital payment options.

Payment methods used in last three months by age (Global)

	Global total	18-24	25-34	35-44	45-54	55+
Made a payment using cash	59%	47%	48%	56%	66%	70%
Made a contactless card payment in store using a credit or debit card	52%	34%	42%	52%	58%	63%
Made a contactless mobile payment in store using a digital wallet (e.g., using a mobile phone, a smartwatch, etc., rather than using a physical bank card)	26%	29%	31%	29%	27%	18%
Made a payment online using a digital wallet (e.g., ApplePay, PayPal, Alipay, etc., rather than entering your card details)	42%	41%	44%	46%	43%	38%

Q: Which, if any, of the following have you done in the last three months?



Traditional banks holding strong against digital challengers

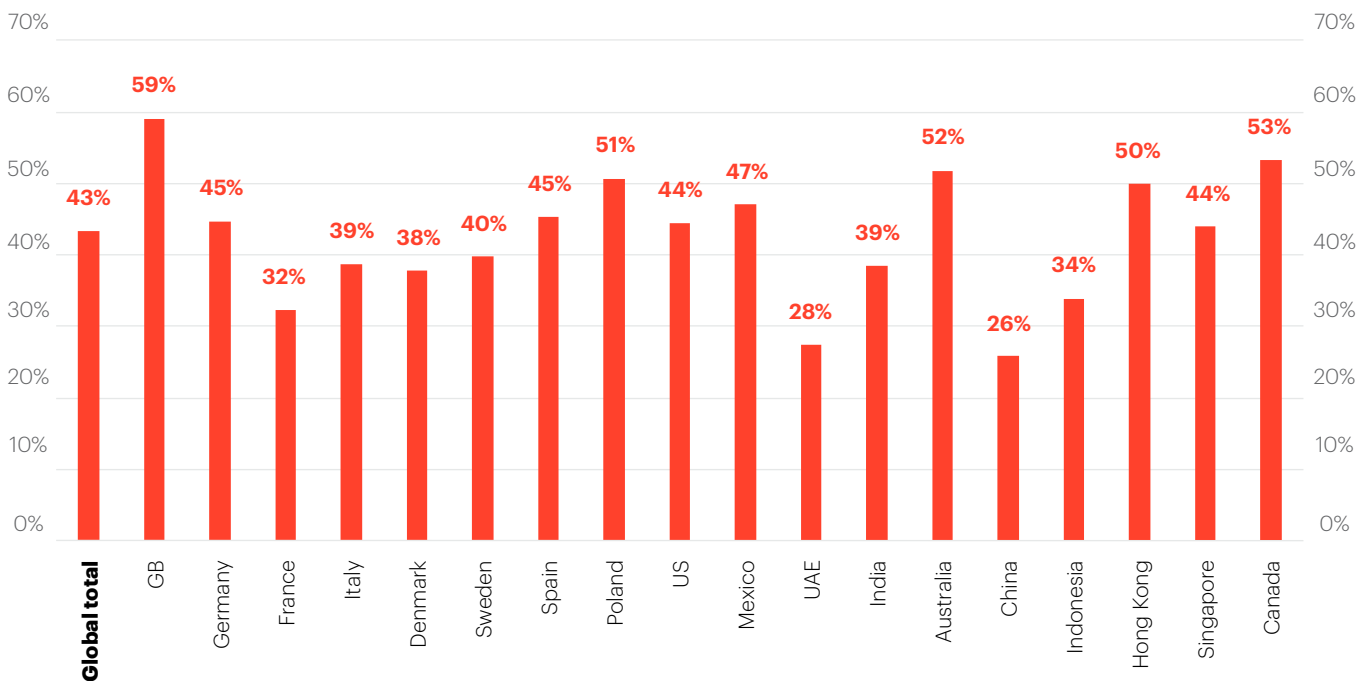
Globally, over four in ten (**43%**) consumers stated that they received a payment into, or made a transaction from, a traditional bank account (i.e., a bank account held with a bank with physical branches) in the last three months.

Digging deeper, YouGov data shows that markets with ageing populations and low shares of unbanked consumers

are more likely to have used a traditional bank account for transactions in the last three months. Among the **18** international markets surveyed, Britons (**59%**) topped the use of traditional banking, followed by Canadians (**53%**) and Australians (**52%**).

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Received a payment into, or made a transaction from, a traditional bank account in last three months by country



● Received a payment into, or made a transaction from, a traditional bank account (i.e., a bank account held with a bank with physical branches)

Q: Which, if any, of the following have you done in the last three months?

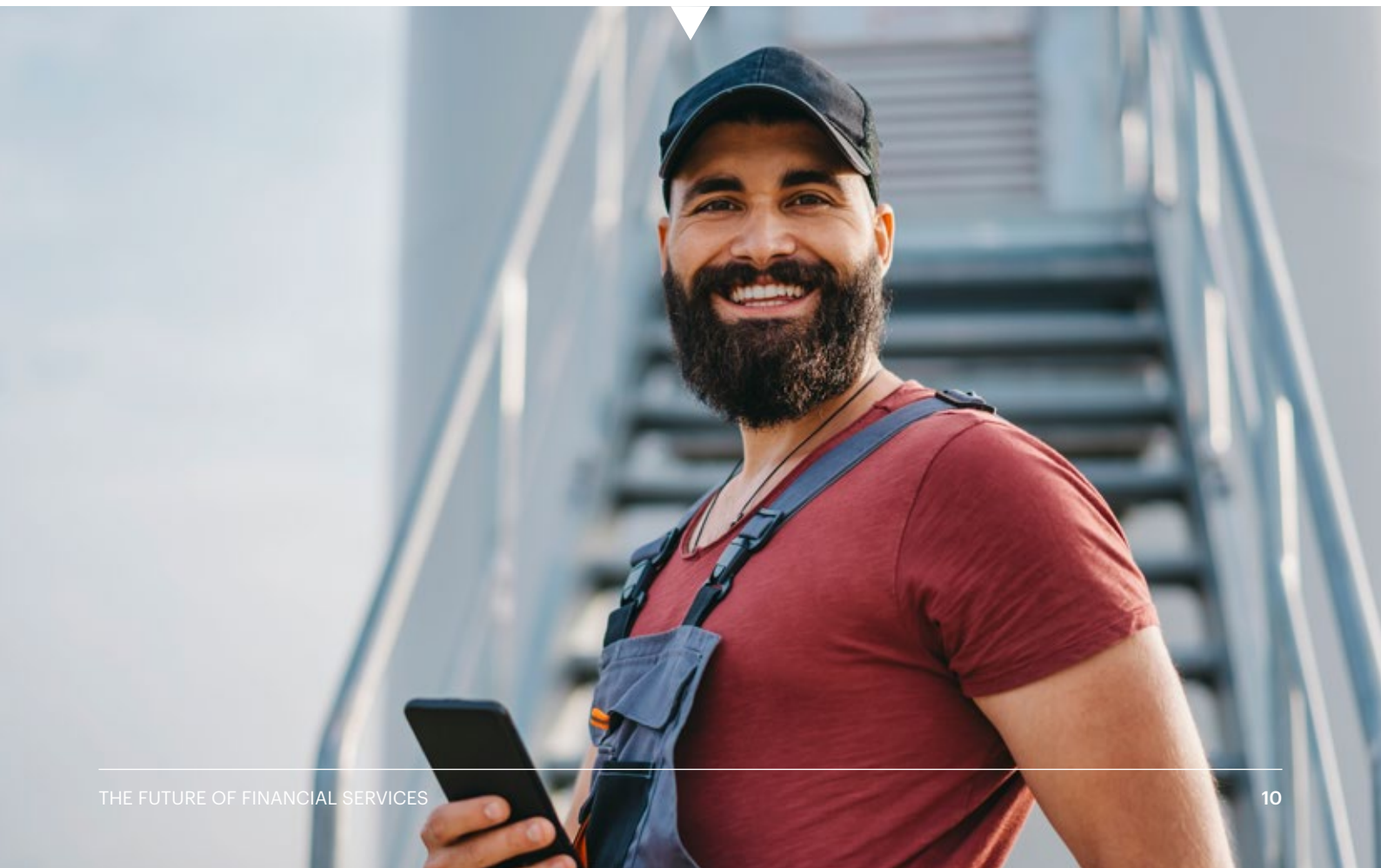
When we compare the use of traditional bank accounts between young and older consumers, YouGov data shows that older consumers are more likely to transact using a traditional bank account. Globally, over half (**52%**) of consumers aged **55+** reported having used a traditional bank account in the last three months. This proportion fell to **32%**

among those aged **18-24** and to **37%** among those in the **25-34** age group. Digital is often the preferred mode of banking among younger consumers. These age cohorts also display more openness to trialling and adopting emerging digital-only offerings.

Received a payment into, or made a transaction from, a traditional bank account in last three months by age (Global)

	Global total	18-24	25-34	35-44	45-54	55+
Received a payment into, or made a transaction from, a traditional bank account (i.e., a bank account held with a bank with physical branches)	43%	32%	37%	43%	43%	52%

Q: Which, if any, of the following have you done in the last three months?





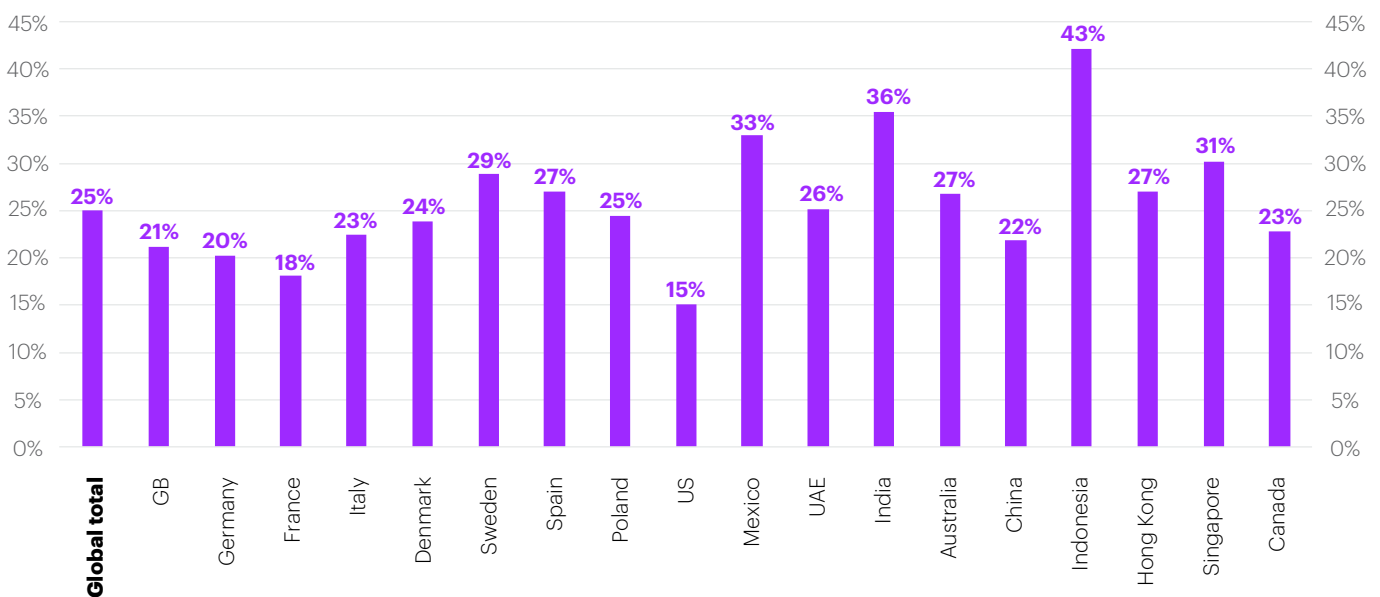
Will digital-only supersede traditional banking?

Fintech has disrupted the traditional banking and finance industry, cementing digital's position as a mighty capability that can substantially improve processes and impressively enhance customer experience. The advantages of digital are attractive and meaningful to tech-savvy consumers, who seek convenience and seamless experiences from locations and devices of their choice.

YouGov data shows that Asia's mobile-first countries with large young populations are leading the adoption of digital-only banks. About half of Indonesians (**43%**) stated they had received a payment into, or made a transaction from, a digital-only bank account in the last three months. Other Asian countries leading adoption of digital-only banks included India (**36%**) and Singapore (**31%**).

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Received a payment into, or made a transaction from, a digital-only bank account in last three months by country



- Received a payment into, or made a transaction from, a digital-only bank account (i.e., a bank account held with a bank that is online or app-based only, with no physical branches)

Q: Which, if any, of the following have you done in the last three months?

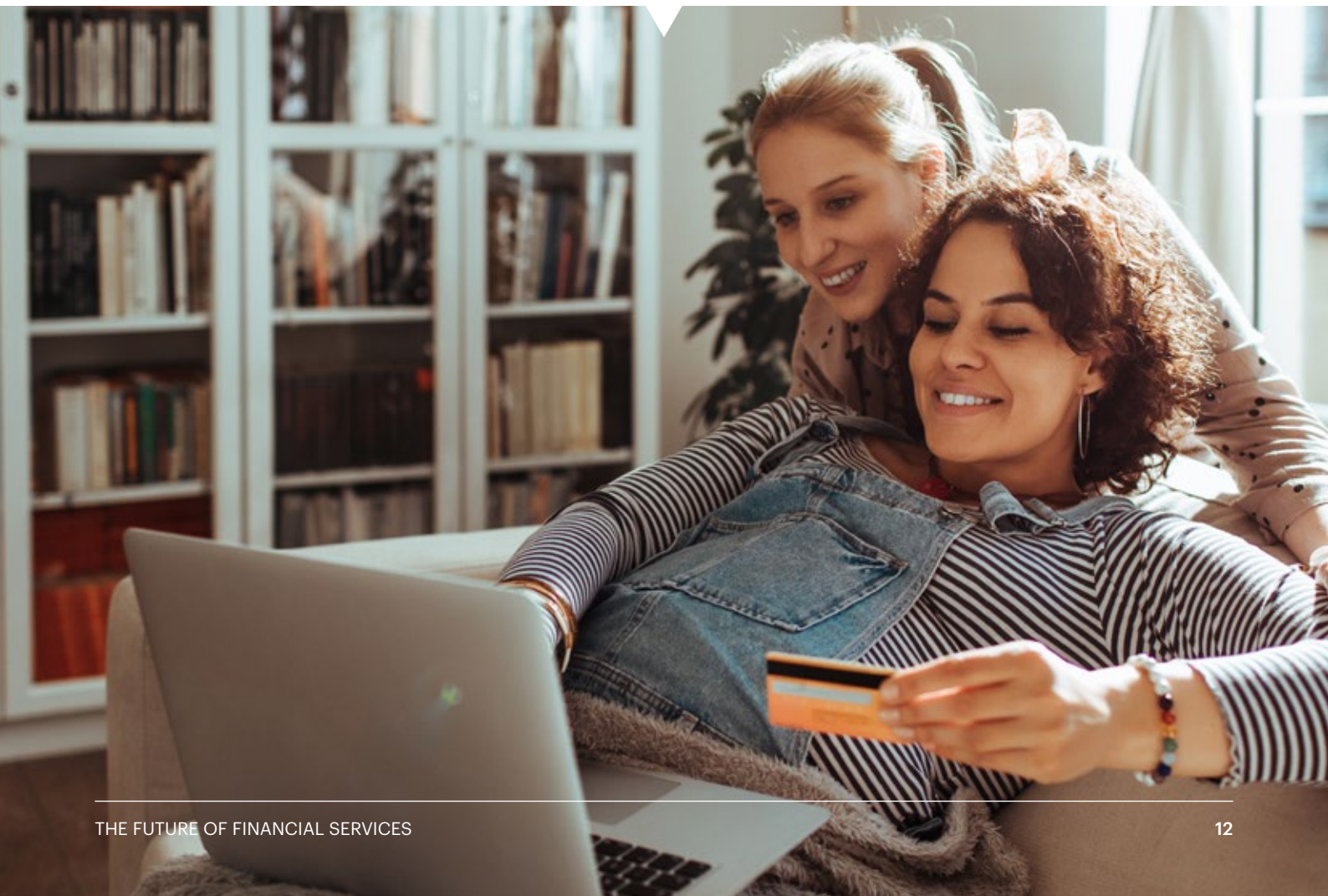
Looking at the data by age, consumers aged under **55** reported the highest levels of transactions using a digital-only bank, led by the **25-34** age group (**30%**). Interestingly, those in the **45-54** age group (**27%**) using digital only banks in the

last three months are at similar levels to the **35-44** age group (**27%**) and even the Gen Z cohort (**26%**).

Received a payment into, or made a transaction from, a digital-only bank account in last three months by age (Global)

	Global total	18-24	25-34	35-44	45-54	55+
Received a payment into, or made a transaction from, a digital-only bank account (i.e., a bank account held with a bank that is online or app-based only, with no physical branches)	25%	26%	30%	27%	27%	21%

Q: Which, if any, of the following have you done in the last three months?





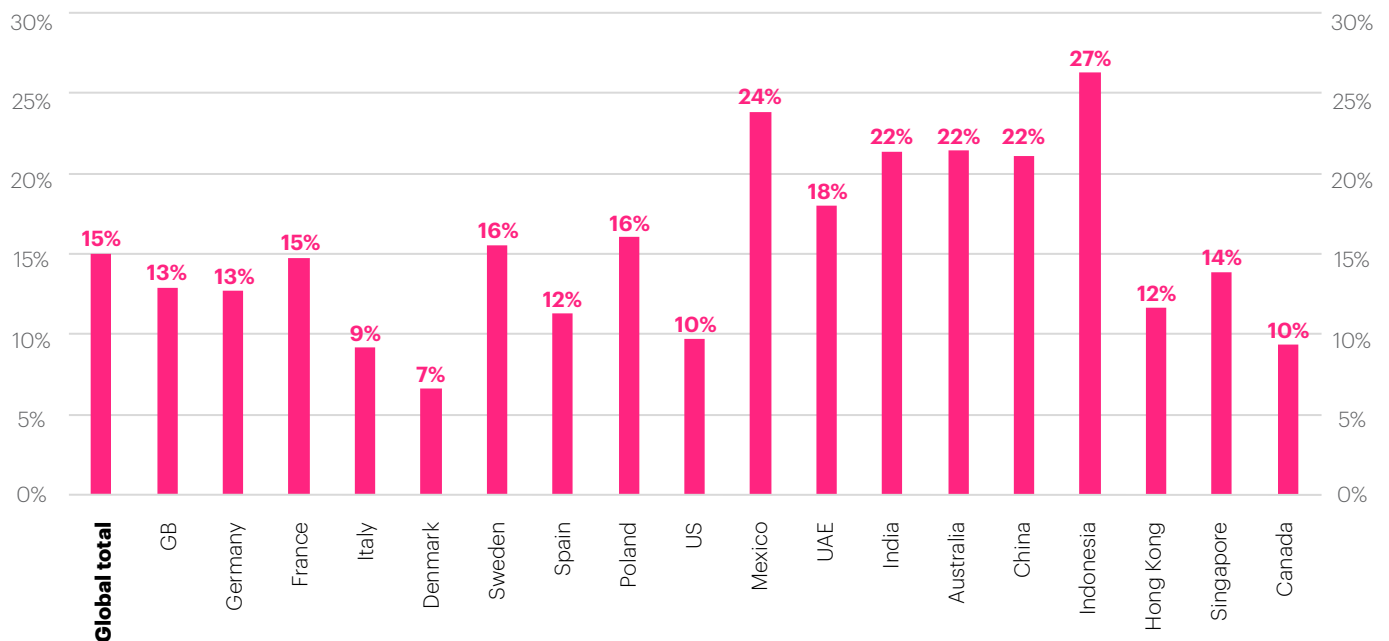
Buy Now Pay Later (BNPL) plans entice younger consumers

In the wake of the pandemic, whilst price-awareness among consumers has heightened, inflation is setting curbs on spending. This has created favourable circumstances for the adoption of BNPL solutions that allow consumers to pay for products and services in interest-free instalments instead of one-time payments. Whilst BNPL plans have been experiencing a boom, adoption varies across markets and

age groups. YouGov data shows that in the last three months, Indonesians made the highest proportion of purchases using a BNPL plan (**27%**) – almost double the global average of **15%**. A young aspirational population, large share of unbanked as well as the country’s e-commerce boom are likely the key factors driving adoption. On the other hand, Danes reported the lowest level of using BNPL schemes (**7%**).

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Made a purchase using a Buy Now Pay Later in last three months by country



● Made a purchase using a buy now pay later plan (i.e. you get the item immediately and pay it off in interest free installments over time)

Q: Which, if any, of the following have you done in the last three months?

Additionally, adoption of BNPL plans is driven by age, and skews towards the young. Consumers most likely to have made a purchase using a BNPL plan in the last three months fall in the **25-34** age group (**20%**), followed closely by consumers aged **34-44** (**18%**). Whilst younger consumers are likely to be drawn to BNPL plans because

of smaller spending capacities, those aged **34-44** are increasingly adopting BNPL as inflation hits their spending decisions. Consumers aged **55+** reported the lowest levels of purchases via BNPL plans (**11%**).

Made a purchase using a Buy Now Pay Later in last three months by age (Global)

	Global total	18-24	25-34	35-44	45-54	55+
Made a purchase using a buy now pay later plan (i.e., you get the item immediately and pay it off in interest free instalments over time)	15%	16%	20%	18%	15%	11%

Q: Which, if any, of the following have you done in the last three months?

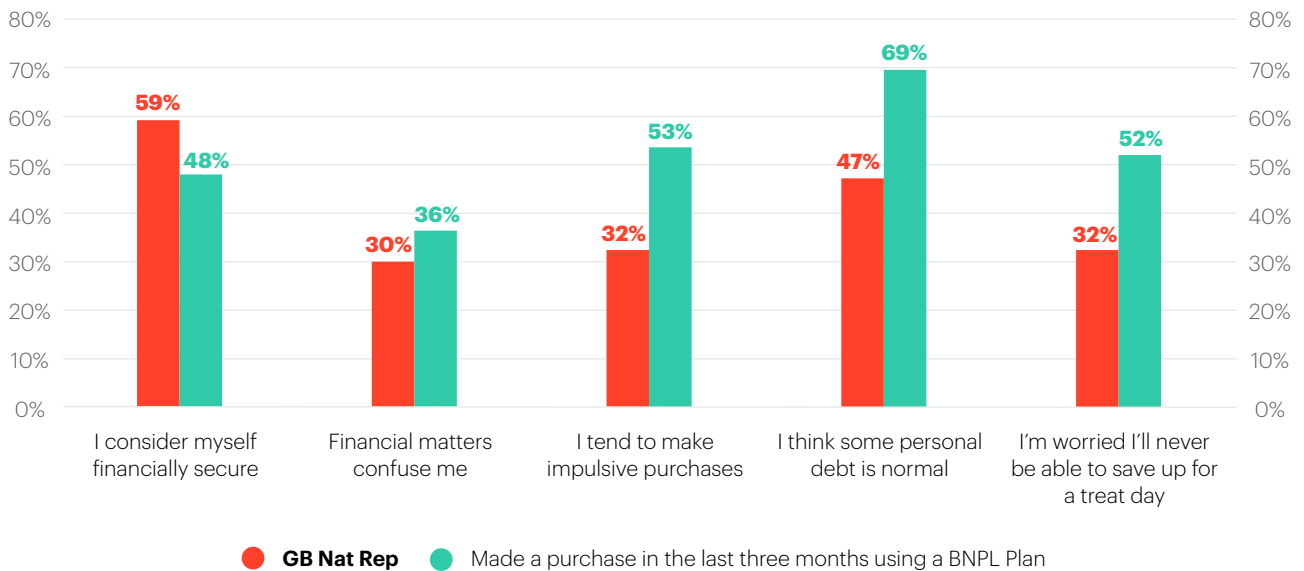


To further understand the BNPL consumer, notable differences emerge when we delve into their attitude to finances overall. Combining **YouGov Custom Research** and **YouGov Profiles** data in GB, more than half agree they are impulsive (**53%**), compared to just under a third (**32%**) of all GB adults. They are also less likely to consider themselves financially secure and have higher levels of agreement that personal debt is normal and are more likely to worry they'll never be able to save up for a treat day.

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Made a purchase using a Buy Now Pay Later in last three months by attitudes to finance - Net agreement (GB)



Finance statement agreement - GB Profiles data

Whilst this may indicate that BNPL consumers in GB find it more challenging to manage their finances, interestingly, a higher proportion fall within the mid income level* (**40%** of those who made a purchase using a BNPL plan vs. **33%** of all

GB adults aged **18+**), compared to **26%** in the lower income levels, on a par with the GB nationally representative population.

*Lower income -less than 75% of the median, Middle income: between 75% and 200% of the median, Higher income: higher than 200% of the median.

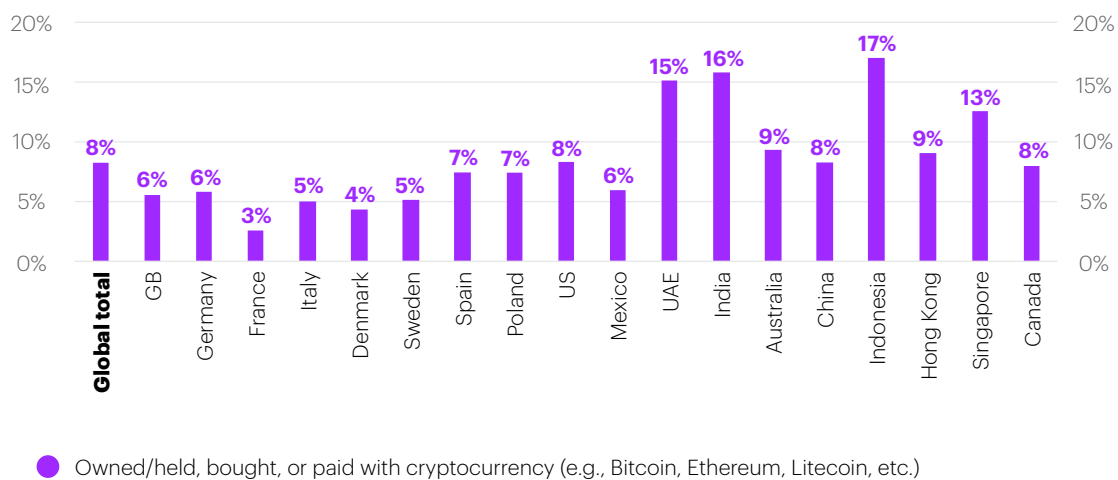
Crypto curiosity continues to grow

Although nowhere near the involvement levels that consumers have with mainstream banking and finance services, the adoption of cryptocurrencies is booming across the world. Whilst many consumers are parking their money in cryptocurrencies as investments options, use of cryptocurrencies is growing to include retail, in-game, and peer-to-peer payments. In stark contrast to traditional investment instruments, cryptocurrencies are highly volatile and considered risky business. Nonetheless,

consumer interest in cryptocurrencies is continuing to grow.

As early adopters increasingly invest in, and use cryptocurrencies, YouGov data shows that engagement with digital currencies skews towards emerging markets with younger populations. Our research reveals that in the past three months, across the 18 markets surveyed, Indonesians owned/held, bought, or paid with cryptocurrency the most (**17%**), followed closely by India (**16%**), UAE (**15%**) and Singapore (**13%**).

Owned/held, bought, or paid with cryptocurrency in last three months by country



Q: Which, if any, of the following have you done in the last three months?

In line with the high adoption seen in markets with young populations, younger consumers are driving cryptocurrency growth globally as well. Whilst consumers from the **18-24** and **25-34** age group had the highest involvement with cryptocurrencies. Only a minuscule **3%** of those aged **55+** had used or invested in digital currencies.

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Owned/held, bought, or paid with cryptocurrency in last three months by age (Global)						
	Global total	18-24	25-34	35-44	45-54	55+
Owned/held, bought, or paid with cryptocurrency (e.g., Bitcoin, Ethereum, Litecoin, etc.)	8%	13%	13%	11%	7%	3%

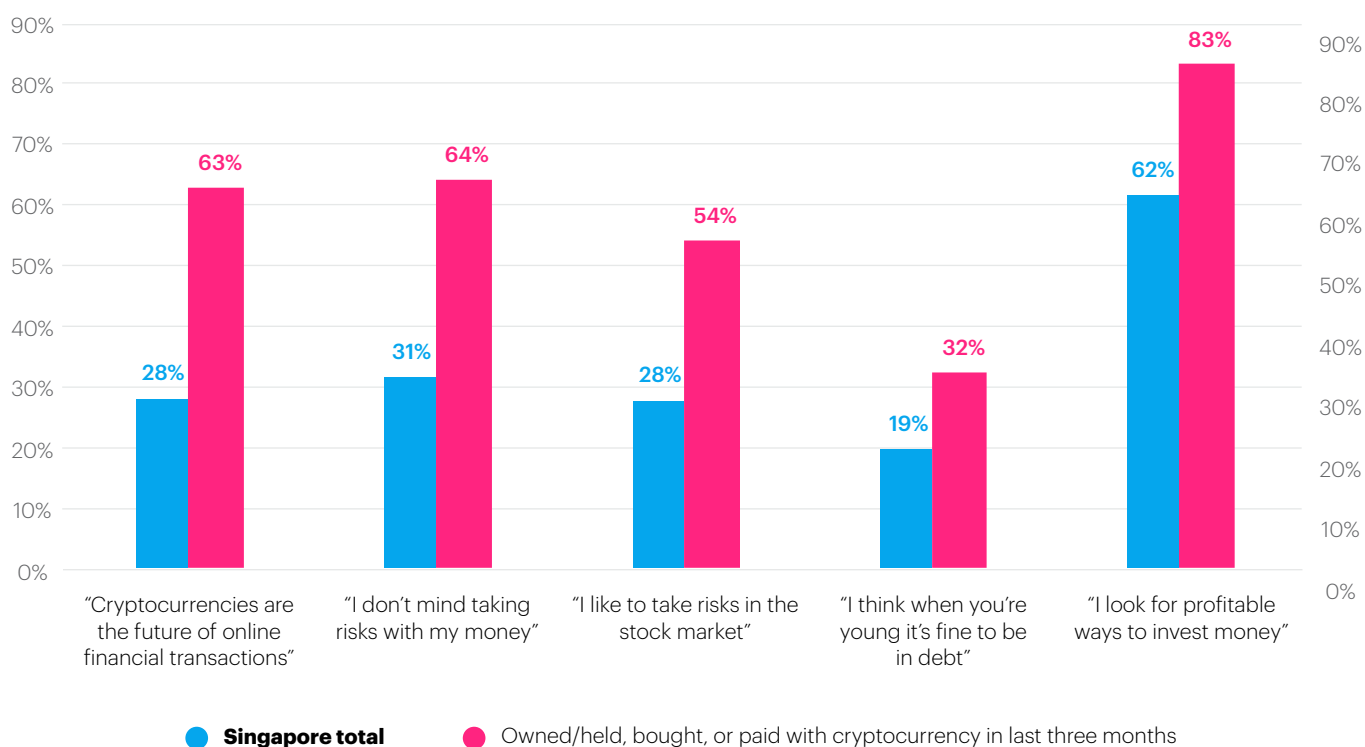
Q: Which, if any, of the following have you done in the last three months?

Whilst the adoption for cryptocurrencies is higher among Gen Zs and millennials, looking at **YouGov Profiles** data provides a deeper insight into the psyche of cryptocurrency users by exploring their financial attitudes.

Combining **YouGov Custom Research** and **YouGov Profiles** data in Singapore, we can see that they have bigger risk-taking appetites, and are more likely to embrace tech-led innovations and look for profitable ways to invest their money compared to the Singapore adult population.



Owned/held, bought, or paid with cryptocurrency in last three months by attitudes to finance - Net agreement (Singapore)

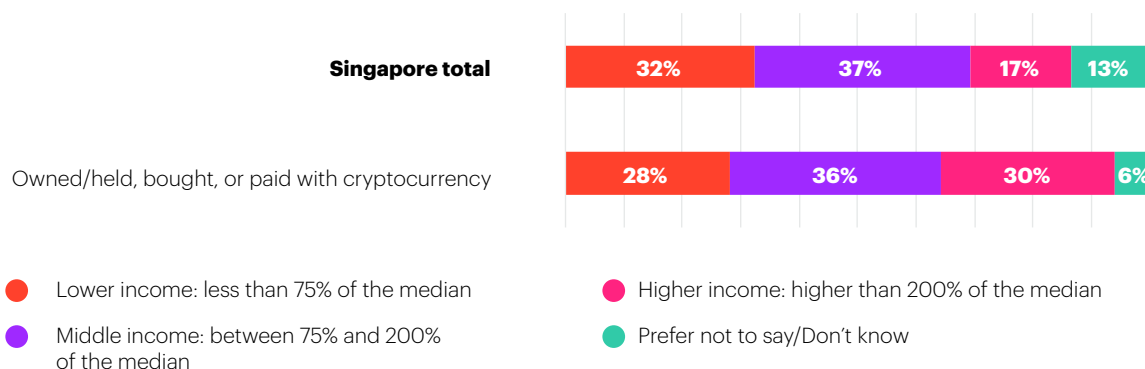


Finance statements agreed - Singapore Profiles data

Q: Which, if any, of the following have you done in the last three months?

In addition, looking at cryptocurrency users by income, they are more likely to be higher earners with almost double the amount who have owned/bought or paid with cryptocurrency falling in the higher income bracket (**30%**) compared to **17%** of Singaporean adults. Given they are more likely to be younger, higher earners, they have a longer time horizon before retirement so they can better absorb potential losses for more risky "new" investments than older, more digitally adverse consumers.

Owned/held, bought, or paid with cryptocurrency in last three months by income (Singapore)

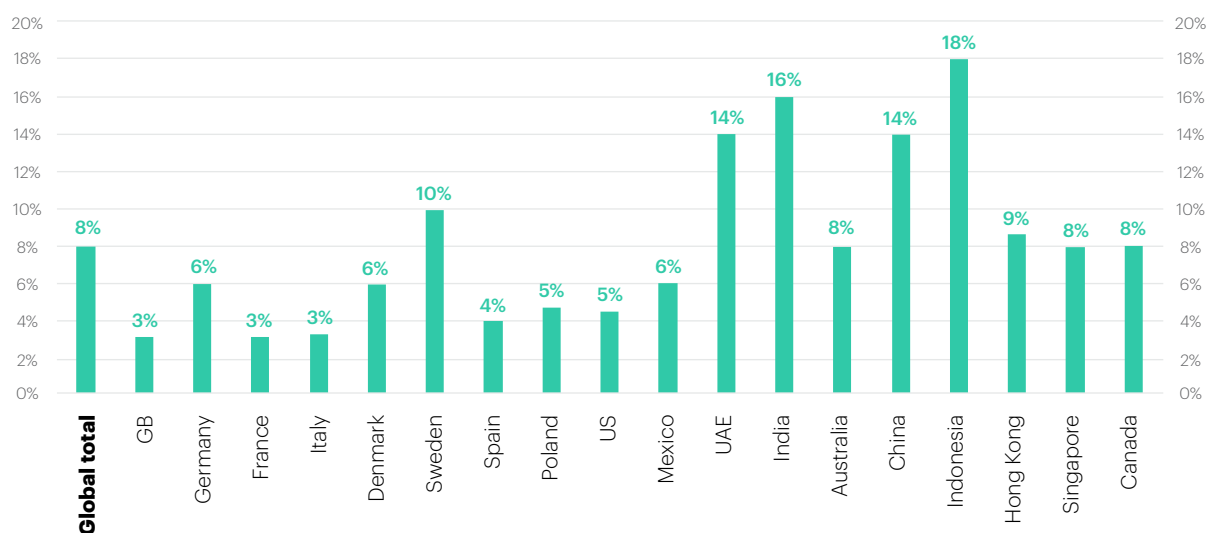


Q: Which, if any, of the following have you done in the last three months?

Consumers are gradually turning to 'green' investments

Across the 18 markets surveyed, only **8%** of consumers claimed to have made sustainable investments in the past three months. Indonesia registered the largest proportion of sustainable investors (**18%**), followed closely by India with **16%**, whilst an equal proportion of consumers from UAE and China drove the third largest level of sustainable investments (both **14%**).

Made a sustainable investment in last three months by country



● Made a sustainable investment (e.g., green bonds, funds that don't include companies that cause environmental harm, higher ESG funds, impact investments that generate positive environmental or social impact as well as returns, etc.)

Q: Which, if any, of the following have you done in the last three months?



Looking at the data by age, younger generations displayed more involvement with achieving climate-positive results with their investment decisions. YouGov data shows that

consumers in the **18-24** and **25-34** age groups had the highest levels of sustainable investments compared to all other age groups.

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Made a sustainable investment in last three months by age (Global)						
	Global total	18-24	25-34	35-44	45-54	55+
Made a sustainable investment (e.g., green bonds, funds that don't include companies that cause environmental harm, higher ESG funds, impact investments that generate positive environmental or social impact as well as returns, etc.)	8%	12%	12%	10%	5%	3%

Q: Which, if any, of the following have you done in the last three months? Please select all that apply.

We will delve deeper into sustainable finance in **Section 4 of this report: Rethinking the role of money** – where we further explore sustainable finance, and the role Financial Service companies play.

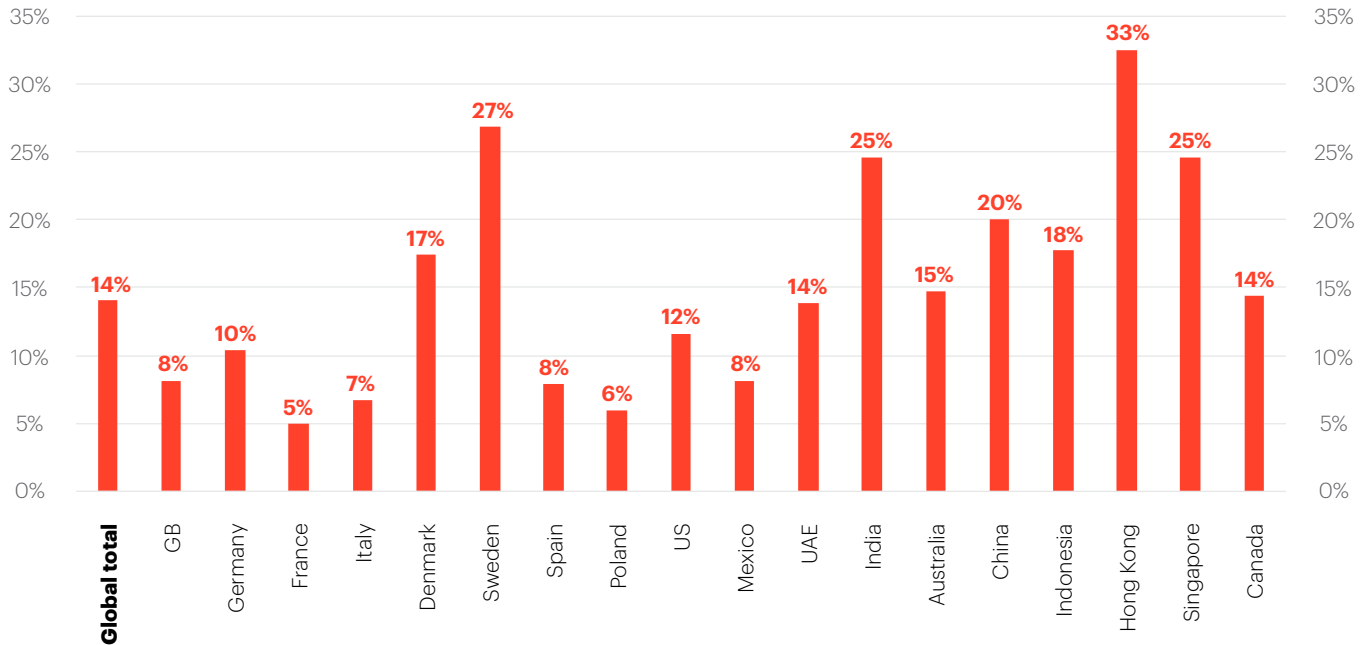


Asia ahead of Western markets in online trading

Globally, **14%** consumers stated they have traded stocks/shares and other investments using online platforms or apps in the past three months. When we look at online trading activity based on markets, Asia is ahead of the curve compared to Western countries. In the last three months, Hong Kong registers the largest proportion of consumers

trading stocks online (**33%**). Additionally, a quarter of consumers in India and Singapore, and one in five consumers in China reported trading online in the last three months. Among European markets, Swedish consumers topped the chart for online trading (**27%**), followed by Danish consumers (**17%**).

Traded stocks or shares, or other investments using an online investment platform or app in last three months by country



● Traded stocks or shares, or other investments using an online investment platform or app

Q: Which, if any, of the following have you done in the last three months?

Turning to age, younger consumers are more likely to trade in stocks/shares using online platforms or apps than older generations. This is likely due to more tech-savviness, liquidity, and relatively bigger risk-taking appetites among

the young. YouGov data shows that the largest proportions of consumers who traded stocks online fell in the **25-34** and **35-44** age groups. Interestingly **14%** of Gen Z (**18-24**) had recently traded online against only **10%** of those aged **55+**.

► [LEARN MORE ABOUT THIS DATA](#)

Traded stocks or shares, or other investments using an online investment platform or app in last three months by age (Global)						
	Global total	18-24	25-34	35-44	45-54	55+
Traded stocks or shares, or other investments using an online investment platform or app	14%	14%	17%	17%	15%	10%

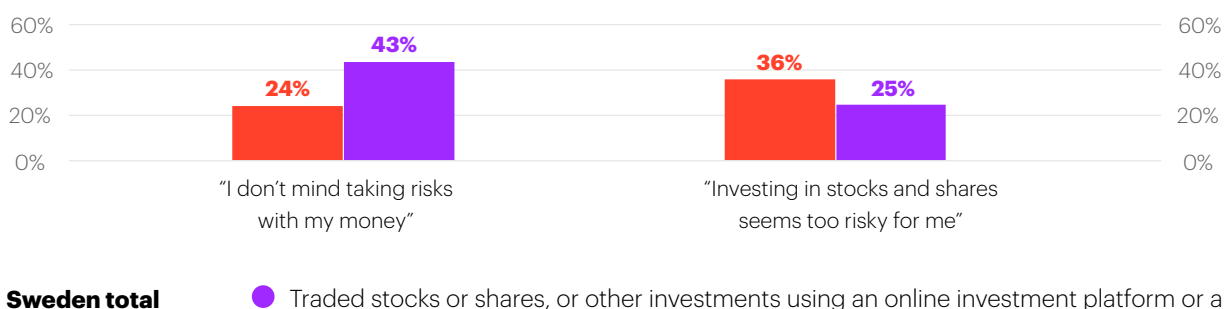
Q: Which, if any, of the following have you done in the last three months?

As previously highlighted, the Swedes were more likely than consumers in other European markets to have traded stocks or shares, or other investments using an online investment platform or app in the last three months, **(27%)** almost double the global average **(14%)**.

Looking to **YouGov Profiles** data in Sweden merged with **YouGov Custom Research** data, we can see that those

who have adopted trading via online platforms or apps are considerably more open to taking risks **(43%)** with their own money, compared to the average Swede **(24%)** and are less likely to agree that investing in stocks and shares is too risky **(25% vs 36%** nationally representative population in Sweden).

Traded stocks or shares, or other investments using an online investment platform or app in last three months by attitudes to finance - Net agreement (Sweden)



Again, it is worth noting that this more daring nature is supported by being higher income earners allowing them to have more flexibility to absorb any potential losses in trading.

Almost six in ten **(59%)** of them are in the higher income* bracket compared **40%** of Swedes and they are less likely to be in the lower and mid income groups.

*Lower income -less than 75% of the median, Middle income: between 75% and 200% of the median, Higher income: higher than 200% of the median.



A photograph of a man and a woman, both smiling and looking at a smartphone held by the woman. They appear to be in a bright, indoor setting, possibly a home or office. The man is on the left, wearing a light-colored sweater, and the woman is on the right, wearing a grey cardigan over a white top. The background is softly blurred, showing what might be a window or a bright light source.

Which financial activities are set to grow?

We have seen that traditional banking products and services such as cash payments and transacting via banks with physical branches had the largest usage among global consumers in the last three months. However, in the next twelve months, YouGov data reveals a changing landscape, fuelled by an increase in the adoption of fintech solutions as well more deliberate decision-making, for example, an increase in **Environmental, Social, and Governance (ESG)** investments and those that promote environmental sustainability.

Finance activities undertaken in last three months and plan to do in the next twelve months (Global)

Current and Future Finance Activities	Done in the last 3 months	Plan to do in the next 12 months	+/- percentage point shift
Made a payment using cash	59%	56%	-3%
Made a contactless card payment in store using a credit or debit card	52%	51%	-1%
Received a payment into, or made a transaction from, a traditional bank account (i.e., a bank account held with a bank with physical branches)	43%	44%	1%
Made a payment online using a digital wallet (e.g., ApplePay, PayPal, Alipay, etc., rather than entering your card details)	42%	40%	-2%
Made a contactless mobile payment in store using a digital wallet (e.g., using a mobile phone, a smartwatch, etc., rather than using a physical bank card)	26%	29%	3%
Received a payment into, or made a transaction from, a digital-only bank account (i.e., a bank account held with a bank that is online or app-based only, with no physical branches)	25%	27%	2%
Made a purchase using a buy now pay later plan (i.e., you get the item immediately and pay it off in interest free instalments over time)	15%	17%	2%
Traded stocks or shares, or other investments using an online investment platform or app	14%	17%	3%
Owned/held, bought, or paid with cryptocurrency (e.g., Bitcoin, Ethereum, Litecoin, etc.)	8%	11%	3%
Made a sustainable investment (e.g., green bonds, funds that don't include companies that cause environmental harm, higher ESG funds, impact investments that generate positive environmental or social impact as well as returns, etc.)	8%	12%	4%

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Q: Which, if any, of the following have you done in the last three months?

Q: Which, if any, of the following are you likely to do in the next 12 months?

Sustainable investments are likely to see a **4%** increase in the proportion of global consumers expecting to invest in sustainable investments in the next 12 months – the highest among any other financial activity, reflecting the increasing importance of socially responsible investing among consumers.

Although (as we will see in **Section 3 of this report: Rethinking the concept of money**) a high proportion

of consumers in some markets do not understand how cryptocurrencies work, global ownership or usage of this block chain-driven payment system is also set to rise by **3%** in the next twelve months. On the other hand, cash payments are set to witness the highest dip in usage **-3%** as digital payments erode traditional share.





SECTION 2

Trust and understanding in the changing financial services ecosystem



The importance of **trust**

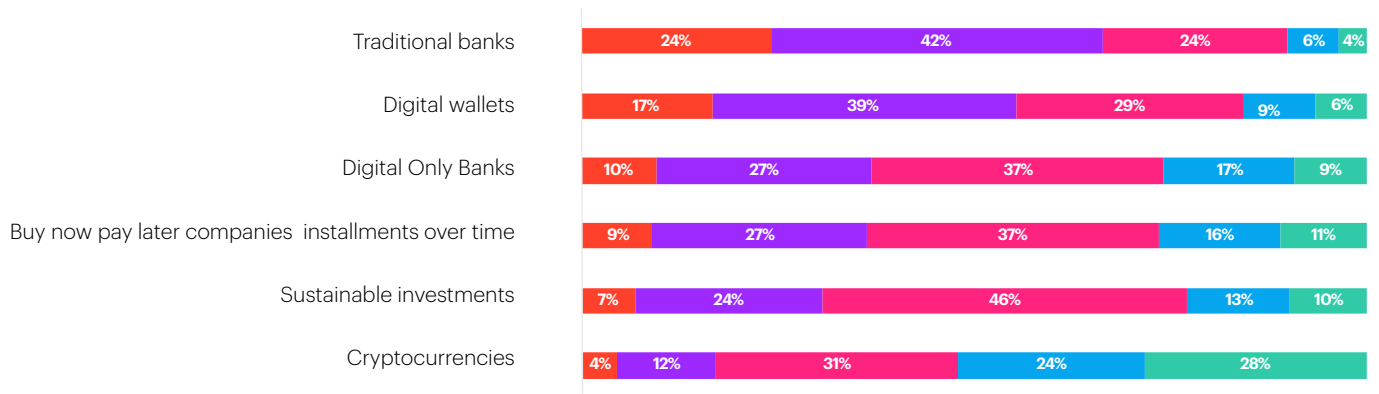
Building trust among its customers is hugely important for banks in particular, since they are responsible for the financial wellbeing, safety, and security of the personal data of all their customers. Consumers also depend on banking services to help them manage and control their current and future financial lives. The financial services sector still has an image challenge since the 2008 global financial crisis and building and maintaining trust is an essential priority for the industry. Trust in an organisation, and its products and services create loyalty, and customer loyalty builds advocacy and goodwill, and these attributes

can help banks and financial services organisations succeed. For banks and financial services companies to attract and keep their customers, they need to develop and maintain high levels of trust in the products and services they offer.

Across the 18 international markets surveyed, traditional banks score the highest level of trust across a range of financial products and services with two thirds of global consumers trusting their products and services.



Trust in financial services (Global)



● Completely trust
 ● Somewhat trust
 ● Neither trust nor distrust
 ● Somewhat distrust
 ● Completely distrust

Q: To what extent would you say you trust each of the following financial services

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Level of trust in traditional banks is high across all age groups, ranging from **61%** among adults aged **18-24** to **72%** among the over **55s**. Across the regions, traditional banks are more established than digital financial products and services that have only started to become more mainstream in recent years. Consequently, they have had more time in which to build consumer trust, and people tend to trust what they know.

The pandemic has disrupted physical interactions, which in turn has accelerated digital transformation across many industries, including the financial services sector. With the growing trend towards digital, coupled with the closure of high street branches in many markets - fuelled by the pandemic - it's more important than ever for traditional banks to not only focus on maintaining current customers through this digital transition process, but also work to retain trust and ensure that customers can get the support they need when they need it.

Beyond traditional banks, digital wallets are the second most trusted financial service among all global consumers (**55%**), followed by digital only banks (**37%**) and BNPL services (**36%**). Looking at the data by age, the Gen Z cohort (those aged **18-24**) trust digital wallets equally as much as traditional banks, and their trust in all digital financial services is significantly higher than those aged over **55**. This audience expect to access banking services instantly, from anywhere via their smartphones so building and maintaining trust among Gen Zs in a digital financial world may be less challenging that maintaining trust among those in older generations.

Not surprisingly, global adults aged **55+** are significantly more likely to trust traditional banks than digital services, and they are also more likely to trust traditional banks than consumers in any other age group. Therefore, banks and financial services providers need to think about how they plan to transfer this hard-earned trust among older generations online.



Trust in financial services by age - % completely/somewhat trust (Global)

	Global total	18-24	25-34	35-44	45-54	55+
Traditional banks	66%	61%	63%	65%	65%	72%
Digital wallets	55%	61%	61%	60%	55%	47%
Digital only banks	37%	41%	43%	41%	37%	29%
Buy now pay later companies	36%	36%	43%	41%	36%	30%
Sustainable investments	31%	42%	39%	35%	27%	20%
Cryptocurrencies	17%	28%	26%	21%	14%	5%

Q: To what extent would you say you trust each of the following financial services

Cryptocurrencies have the lowest levels of trust overall across the 18 international markets surveyed (**17%**). Trust in cryptocurrencies is highest among those aged **18-24** and declines steadily by age, with trust among these Gen Zs, five times higher than those aged over **55**. Whilst only **8%** of the global population have made sustainable investments in the last three months, almost a third (**31%**) claim to trust these

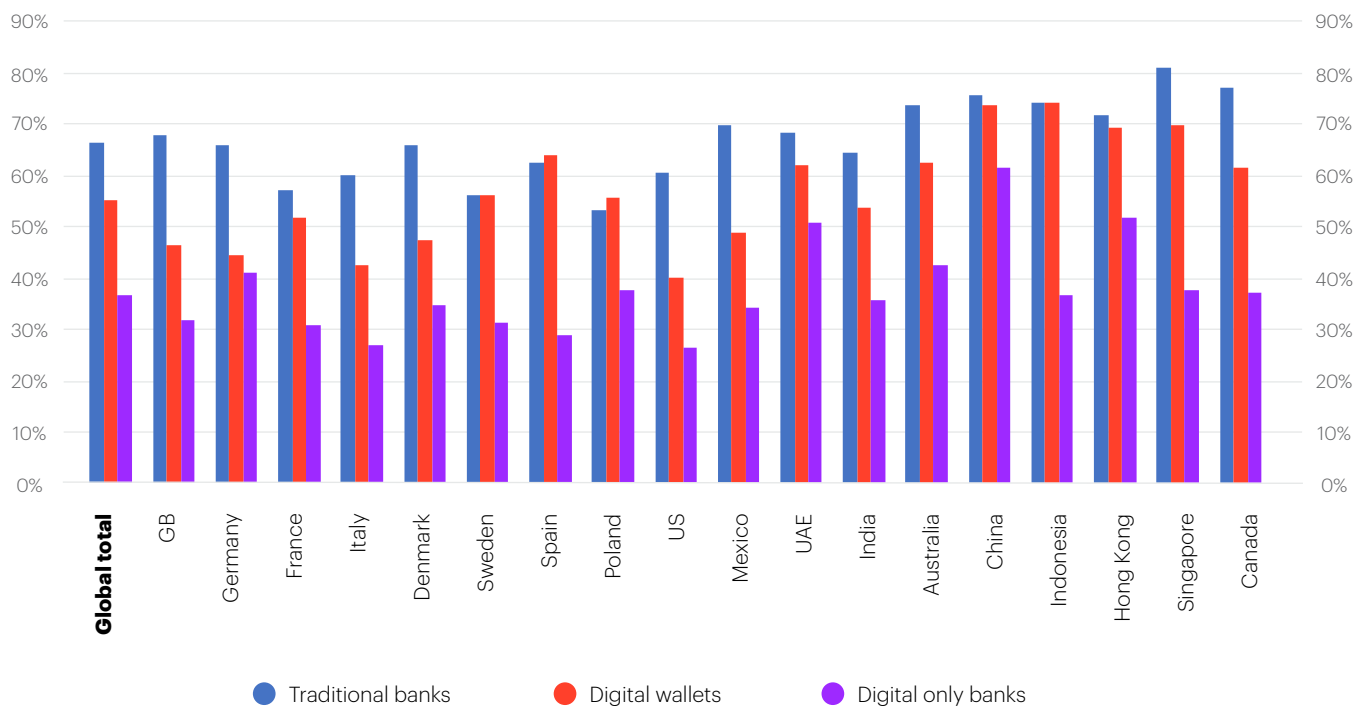
investments, and this increases to **42%** among the Gen Z cohort. The Gen Z generation are likely to play a significant role in driving demand for sustainable financial products and services, primarily driven by their desire to consider investments in line with their environmental and social values. And trust will be a key factor in driving future demand for these products and services.

Asia delivers a trusted customer base

Looking at the data by country, levels of trust in financial services are generally higher in Asia. Trust in traditional banks is highest in Singapore and Hong Kong, whilst trust scores

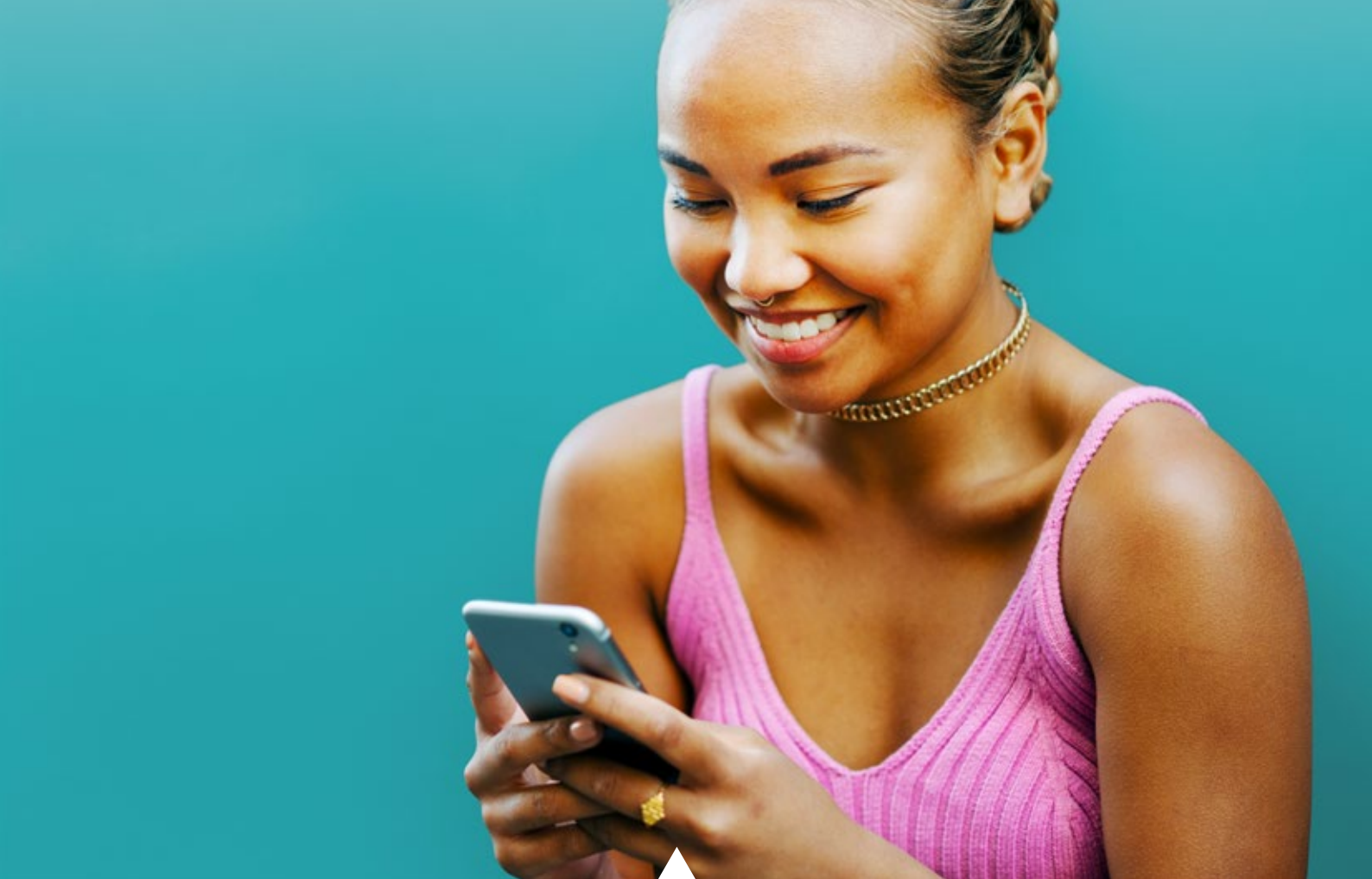
are highest for digital wallets in China and India. Denmark and Spain are the only two markets where there is a higher level of trust in digital wallets than traditional banks.

Trust in financial services - % completely/somewhat trust by country

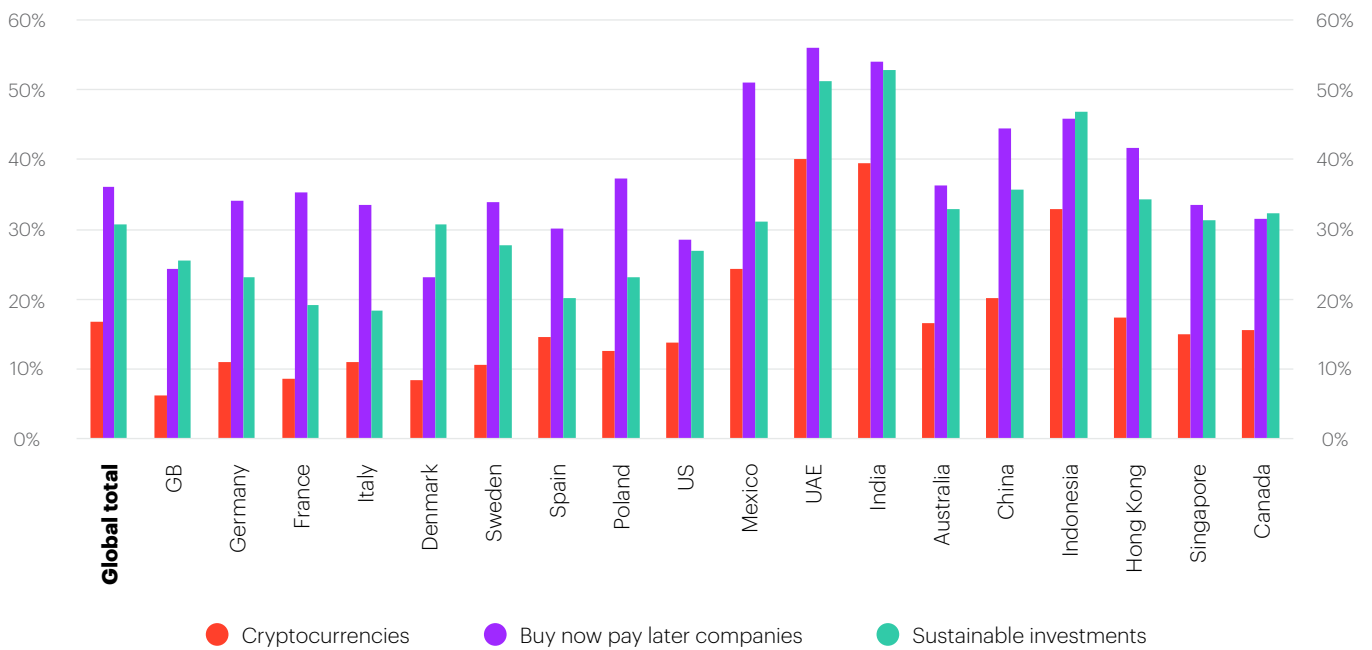


Q: To what extent would you say you trust each of the following financial services

India and Indonesia have the highest levels of trust in digital only banks whilst India and UAE has the highest scores for sustainable investments.



Trust in financial services - % completely/somewhat trust by country



Q: To what extent would you say you trust each of the following financial services



India and UAE are top for cryptocurrencies (**both 40%**), followed by Indonesia (**33%**) and Mexico (**24%**). The rules and regulations regarding cryptocurrencies vary dramatically by country, and for cryptocurrencies to succeed and build trust among current and potential users, they need to exist within a public policy framework with clear official rules and guidelines.

Trust across the range of financial services is generally lower in Europe. Spain and Italy scored the lowest scores for trust in traditional banks, these two countries were two out of only three countries (including Denmark), where trust in digital wallets is higher than traditional banks.

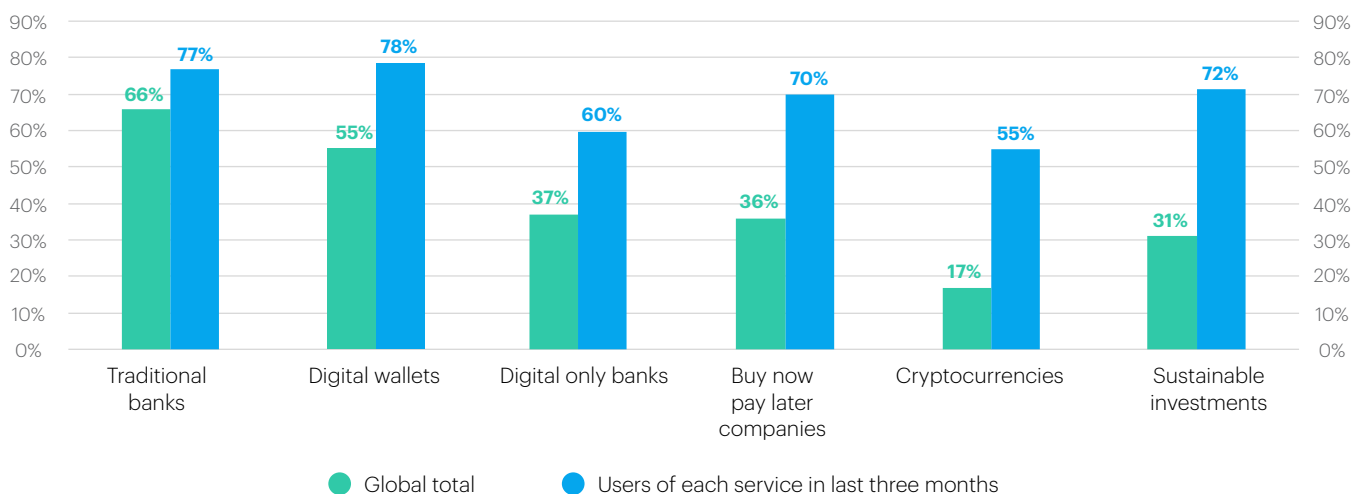
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Trust is enhanced among engaged consumers

Levels of trust for all financial services grows with increased familiarity. For example, across all 18 international markets surveyed, **37%** of the total global population claim to trust digital only banks, and **55%** trust digital wallets. However,

among those who have used a digital-only bank in the last three months (**25%**), trust in digital only banks increases to **60%**. In addition, among users of digital wallets (**26%**), trust in digital wallets grows from **55% to 78%**.

Trust in financial services - % completely/somewhat trust (Global)



Q: To what extent would you say you trust each of the following financial services

The key drivers of choice

We have explored the importance of trust in building and maintaining customers within the financial services sector and identified which areas of banking and financial services are the most trusted. But it is also important to understand the key priorities to consider when consumers are choosing a financial company, and also the concerns they may have about using digital financial services.

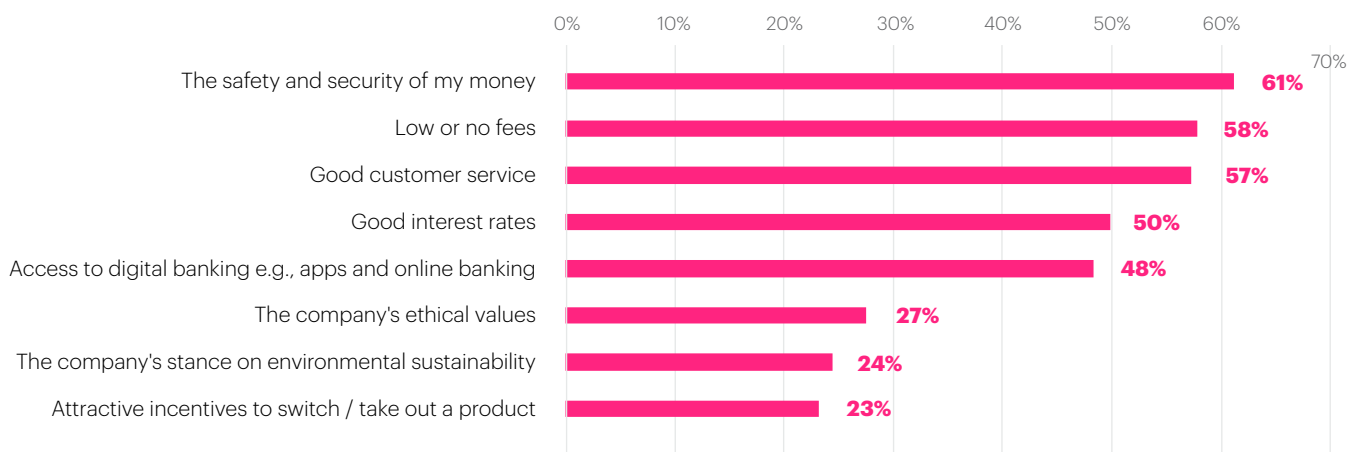


When choosing a financial company for a new product or service, there are many factors for consumers to consider. In a changing digital world, consumers are learning to accept a transition to digital services, so the availability of easy-to-use and trusted digital banking services will become an expected norm. Across the 18 international markets

surveyed, 'The safety and security of my money' is the top priority (**61%**). Cybersecurity is central to building trust in digital financial services and continuous security monitoring reflects positively on a bank or financial services provider and promotes trust and helps build loyalty.

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Important factors when choosing a financial company (Global)



Q. Which of the following are important to you when choosing a financial company (e.g., bank, insurance provider, investment app, etc.) for a new product or service?



Achieving the best possible deal is a key consideration for the majority of global consumers when choosing financial products and services. Low rates or no Low fees ranks 2nd in the financial priority list with **58%** considering this important, and Good interest rates ranks 4th with **50%**. It is hugely important to a bank or financial services organisation that their customers not only keep coming back, but also make

referrals to others. The relationship finance companies have with their customer has a significant impact on customer satisfaction and building trust. Across the 18 international countries surveyed, Good customer service is the third most important global priority when selecting a bank or financial services company.

Many customers prefer in-person contact with banks or other financial services companies, particularly when they require advice, or need support with a product or service. This is particularly true for older generations whose lives have been built around physical experiences and human interactions. However, the pandemic dramatically changed the relationship that consumers have with banks and financial services, particularly the imposed restrictions relating to face-to-face support services and the dramatic 'almost overnight' rise of online banking.

Digital banking services are now part of our everyday lives which explains why Access to digital banking e.g., apps and online banking is considered important among almost half (**48%**) of all global consumers. However, whilst consumers rate the need for a digital interface important, this should not be an alternative to the option of human interaction when things go wrong!

Looking at the data by age, whilst younger generations are used to the digital world we live in, a higher proportion of over **55s** consider digital services an important consideration when selecting a financial company than in any other age category. However, they also score more highly for all the top

selection priorities with the exception of Attractive incentives to switch/take out a product and The company's stance on environmental sustainability, where the Gen Z cohort scores most highly.

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Important factors when choosing a financial company by age (Global)						
	Global total	18-24	25-34	35-44	45-54	55+
The safety and security of my money	61%	50%	52%	58%	63%	73%
Low or no Low fees	58%	41%	47%	55%	62%	71%
Good customer service	57%	45%	47%	55%	58%	70%
Good interest rates	50%	39%	45%	50%	53%	56%
Access to digital banking e.g., apps and online banking	48%	41%	45%	47%	51%	53%
The company's ethical values	27%	27%	25%	25%	26%	31%
The company's stance on environmental sustainability	24%	33%	30%	23%	21%	20%
Attractive incentives to switch / take out a product	23%	24%	26%	26%	25%	19%

Q. Which of the following are important to you when choosing a financial company (e.g., bank, insurance provider, investment app, etc.) for a new product or service?



Looking at the top financial priorities when choosing a financial company by country, Safety and Security, Low fees and Customer Service appear in the top three for most international markets and at least one of these attributes dominates the priority list for all 18 international markets.

For Safety and Security, Singapore registers the highest score among local consumers (**72%**), followed by Mexico and GB (both **68%**). In Southeast and East Asia, Safety and Security is the most important factor when selecting a financial company for all markets with Customer Service a lower priority.

Low fees are not the main priority for any of the Asia markets but dominates the agenda in North America and Scandinavia in addition to Spain, Poland, and Australia. The highest score for Low fees is Canada (**71%**), followed by Australia (**68%**) and Germany (**64%**). Canada also registers the highest score for Customer Service (**67%**), followed by Australia (**65%**) and Mexico (**63%**). Customer Service scores highest for France (**58%**) and Italy (**52%**) and UAE (**54%**) and India (**60%**).

Important factors when choosing a financial company by country (Global Top Three)

	1 st	2 nd	3 rd
Global total	Safety and Security	Low fees	Customer Service
GB	Safety and Security	Customer Service	Low fees
Germany	Safety and Security	Low fees	Digital banking
France	Customer Service	Low fees	Safety and Security
Italy	Customer Service	Safety and Security	Low fees
Denmark	Low fees	Customer Service	Safety and Security
Sweden	Low fees	Safety and Security	Digital banking
Spain	Low fees	Customer Service	Safety and Security
Poland	Low fees	Safety and Security	Customer Service
US	Low fees	Customer Service	Safety and Security
Mexico	Safety and Security	Customer Service	Digital banking
UAE	Customer Service	Safety and Security	Interest rates
India	Customer Service	Safety and Security	Interest rates
Australia	Low fees	Safety and Security	Customer Service
China	Safety and Security	Interest rates	Customer Service
Indonesia	Safety and Security	Customer Service	Digital banking
Hong Kong	Safety and Security	Low fees	Interest rates
Singapore	Safety and Security	Low fees	Interest rates
Canada	Low fees	Customer Service	Safety and Security

Q. Which of the following are important to you when choosing a financial company (e.g., bank, insurance provider, investment app, etc.) for a new product or service?



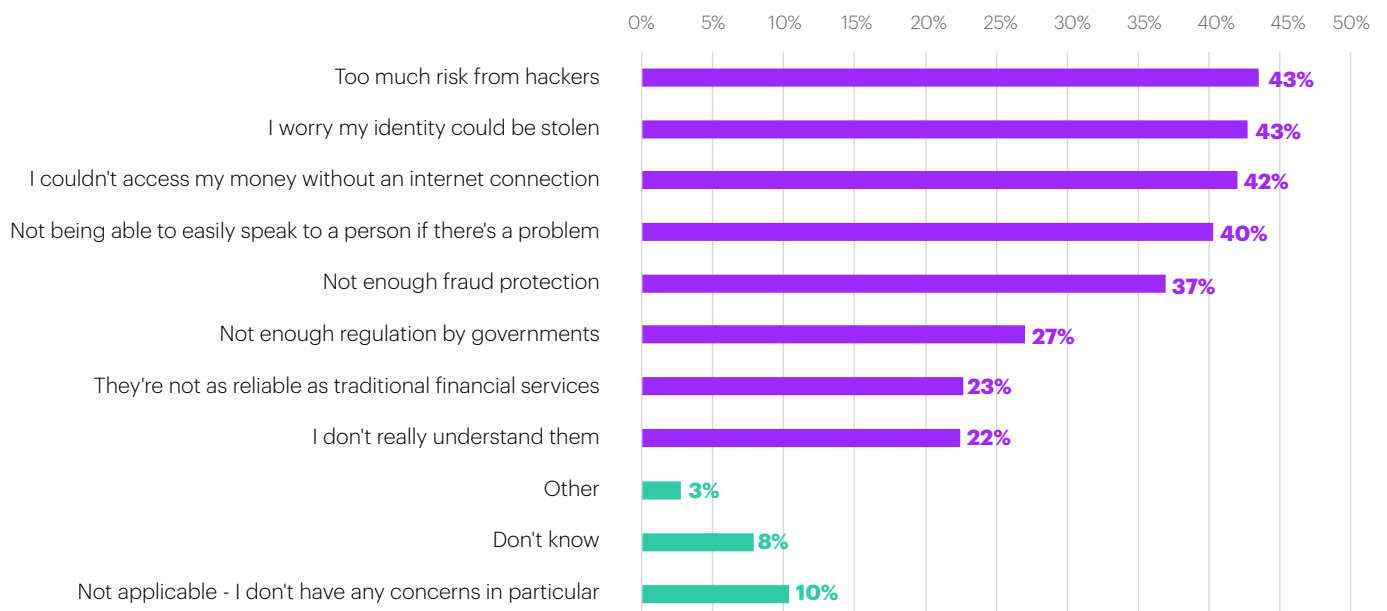
Data security dominates digital finance concerns

A high percentage of global consumers (**82%**) have some concerns about using digital financial services such as digital only banks, digital wallets, cryptocurrency, etc. This indicates that the banking and financial services sector has some work to do to build trust and reassure consumers that the digital products and services they offer are in safe hands. The top concerns relating to the adoption of fintech solutions relate

to data safety and security with **43%** of global consumers concerned about Too much risk from hackers, and the same proportion are Worried that their identity could be stolen. The third concern about using digital financial services relates to reliance on 'digital only' services, with **42%** of global consumers concerned about only being able to access their finances via the internet.



Digital financial services concerns (Global)



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Q. Which, if any, of the following concerns do you have about using digital financial services, e.g., digital only banks, digital wallets, cryptocurrency, etc., would you say apply to you?



People want people when things go wrong

We have already highlighted the importance of customer service when selecting a bank or financial services company and this could explain why the fourth highest concern about using digital financial services is Not being able to easily speak to a person if there's a problem, highlighted as an issue among **40%** of global consumers. This is a particular issue among those aged over **55**, where the ability to talk to someone is the top concern, alongside data security issues. Whilst younger generations are used to the digital world we live in, consumers aged **55+** find the transition from traditional, to digital financial services more challenging, and have heightened concerns about using digital financial products and services. In fact, our global data shows that

consumers aged **55+** score more highly for all other digital concerns than those in any other age category.

As the finance sector transitions to the provision of mainstream digital services, in order to attract and maintain customers, satisfy consumer needs, and build trust, banks and financial service companies need to be agile and flexible in the products and services they offer and the way they service their customers. Providing simplicity, education, and human interaction are key considerations. But ultimately data security and keeping money safe underpins all concerns relating to the use of digital financial services.



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Digital financial services concerns by age (Global)						
	Global total	18-24	25-34	35-44	45-54	55+
Any concerns	82%	81%	82%	82%	82%	82%
Too much risk from hackers	43%	36%	36%	41%	45%	51%
I worry my identity could be stolen	43%	34%	36%	41%	44%	51%
I couldn't access my money without an internet connection	42%	37%	38%	40%	43%	47%
Not being able to easily speak to a person if there's a problem	40%	31%	33%	37%	40%	51%
Not enough fraud protection	37%	31%	30%	34%	38%	45%
Not enough regulation by governments	27%	23%	24%	27%	27%	30%
They're not as reliable as traditional financial services	23%	20%	20%	21%	23%	26%
I don't really understand them	22%	20%	19%	21%	22%	27%
Other	3%	4%	3%	3%	2%	2%
Don't know	8%	9%	8%	8%	9%	7%

Q. Which, if any, of the following concerns do you have about using digital financial services, e.g., digital only banks, digital wallets, cryptocurrency, etc., would you say apply to you?

Data breach concerns dominate the Asian agenda

Looking at the top concerns about using digital financial services by country, data security issues including Risk from hackers, Fraud protection and Stolen identity were the top priority for 14 out of 18 countries. In Asia, Stolen identity and Risk from hackers is a top priority for every market. Looking at other concerns for using digital financial products and services, Brits and Danes are most concerned about lack of personal contact with GB the highest scoring country (**50%**). Whilst consumers in Sweden and US are most concerned about the ability to access their money via digital only, the highest proportion of consumers concerned about only being able to access

their financial services via the internet were highest in Mexico and Indonesia (both registering **51%**).

Risk from hackers appeared in the top three for 16 out of the 18 markets surveyed. Singapore has the highest proportion of consumers concerned about hackers (**54%**), followed by Indonesia and Hong Kong (both **50%**). Reliance on 'digital only' services was a top three concern among consumers in 13 out of 18 countries with Indonesia scoring highest (**51%**), followed by Mexico (**51%**) and GB (**48%**).



Digital financial services concerns by country (Global Top Three)

	1 st	2 nd	3 rd
Global total	Risk from hackers	Stolen identity	Internet connection
GB	Lack of personal contact	Internet connection	Risk from hackers
Germany	Fraud protection	Risk from hackers	Internet connection
France	Risk from hackers	Lack of personal contact	Internet connection
Italy	Risk from hackers	Fraud protection	Stolen identity
Denmark	Lack of personal contact	Internet connection	Stolen identity
Sweden	Internet connection	Stolen identity	Risk from hackers
Spain	Stolen identity	Internet connection	Lack of personal contact
Poland	Stolen identity	Fraud protection	Risk from hackers
US	Internet connection	Risk from hackers	Lack of personal contact
Mexico	Stolen identity	Internet connection	Risk from hackers
UAE	Risk from hackers	Lack of personal contact	Stolen identity
India	Risk from hackers	Internet connection	Lack of personal contact
Australia	Risk from hackers	Stolen identity	Lack of personal contact
China	Stolen identity	Internet connection	Lack of personal contact
Indonesia	Stolen identity	Internet connection	Risk from hackers
Hong Kong	Risk from hackers	Stolen identity	Fraud protection
Singapore	Risk from hackers	Stolen identity	Fraud protection
Canada	Risk from hackers	Lack of personal contact	Internet connection

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Q. Which, if any, of the following concerns do you have about using digital financial services, e.g., digital only banks, digital wallets, cryptocurrency, etc., would you say apply to you?



SECTION 3

Rethinking the concept of money

Earlier in this report we explored the current financial services landscape identifying the financial services currently used by consumers globally, how they differ across regions, the demographic groups with the highest adoption,

and the services that will shape the future financial landscape. In this chapter we delve deeper into the concept of money and explore global attitudes to a cashless society.



Are consumers ready to embrace a cashless society?

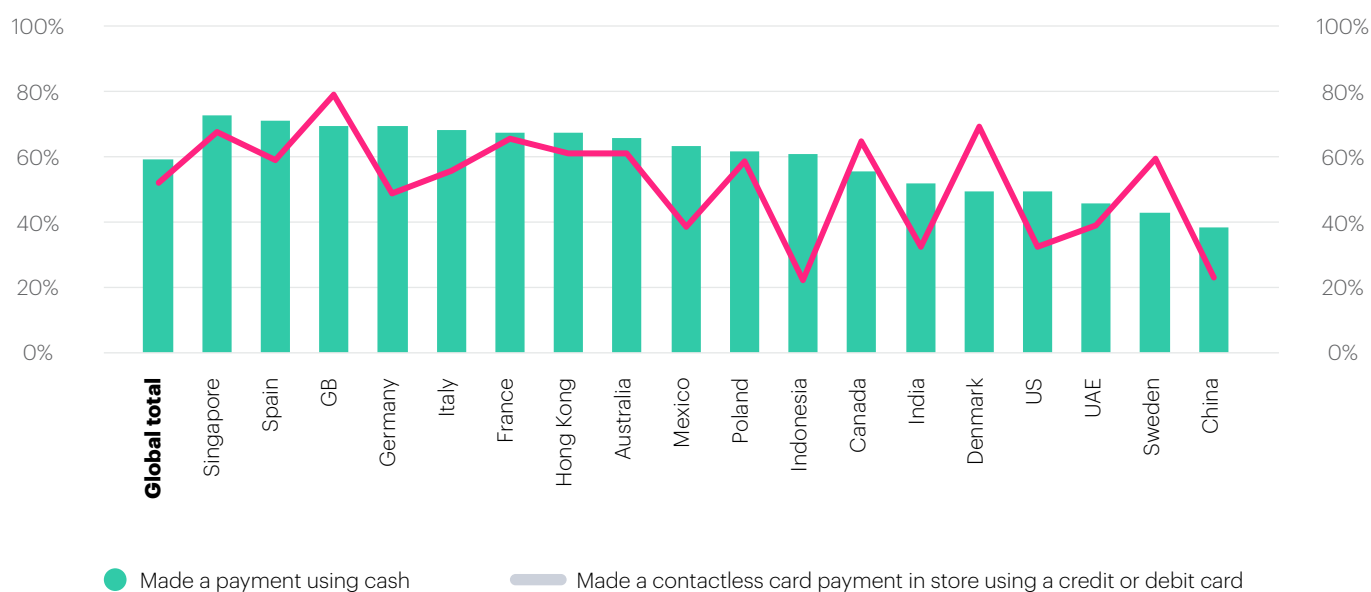
As a result of the COVID-19 pandemic, 2020 saw unprecedented societal and behavioural change which further accelerated the use of digital tools across all sectors. Within banking and finance, contactless solutions were integral to reducing infection rates, as people sought physically safe and secure ways of making payments.

Looking through the lens of a cashless society in its most basic form, could we see cards and contactless payments replacing the need to have physical cash? and are consumers ready to rethink the concept of money? and ultimately, do consumers globally think cash is dead?

The demise of physical currency has been widely debated, and whilst we have seen digital payments become the norm, our earlier YouGov data revealed that cash is not yet dead. In 14 of the 18 countries surveyed, cash payments are the dominant method of payment. Whilst in France, Poland, Australia and Hong Kong, cash and contactless card payments are almost at equal levels. In contrast, contactless card payments surpass the use of physical money in GB, Denmark, Canada, and Sweden. GB has the highest level of contactless card payments out of all international markets surveyed.

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Made a cash or contactless card payment in last three months by country



Q: Which, if any, of the following have you done in the last three months?



Looking to the countries where contactless has overtaken cash payments, Denmark and Sweden display the largest gap between contactless card payments and cash. In Denmark, more than two thirds of payments were contactless (**69%**), compared to just under half of Danes making payments by cash, a difference of **20%** points in favour of contactless. Interestingly, in Denmark where contactless card payments are more popular than cash, almost the equal proportions who have used contactless card payments made an online payment using a digital wallet (**64%**) whereas only just under a third have embraced the use of contactless mobile payments via digital wallet payments in-store (**31%**).

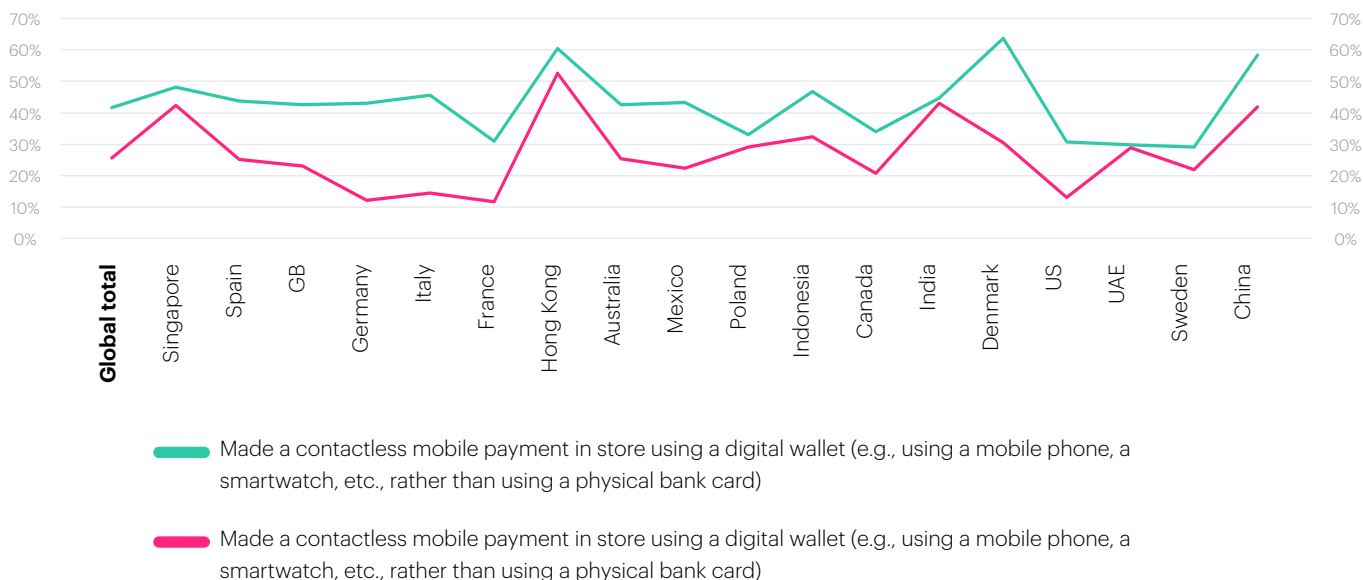
Asia leading in digital wallet adoption

In China and India, countries that have been aggressively promoting mobile wallets, adoption of digital wallets outweighs contactless card payment. These mobile first markets have almost skipped the contactless card adoption stage and leapt straight to digital wallet adoption. Notably, the adoption level in these countries is much higher compared to many of the developed markets such as the GB and US despite widespread smartphone adoption in these

countries. As previously mentioned, trust plays a key role in the adoption of financial services, and we have already seen levels of trust in financial services are generally higher in Asia and lower in the US. Interestingly in China and Indonesia, trust in digital wallets is on a par with trust in traditional banking services, with around seven in ten trusting them equally.

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Made payments using digital wallets either in-store, or online in last three months by country



Q: Which, if any, of the following have you done in the last three months?

Focussing specifically on in store mobile wallet adoption and online payments via digital wallets, all Asia markets register a higher proportion of users than the Global average. Hong Kong, Singapore, China, and India have the highest proportion of digital wallet users for in-store payments in the last three months. Similarly, Hong Kong and Singapore

appear in the top three for online digital wallet payments, with Denmark in pole position. Interestingly, we have already seen that Denmark is one of only two markets globally (along with Spain) where there is a higher level of trust in digital wallets than traditional banks.

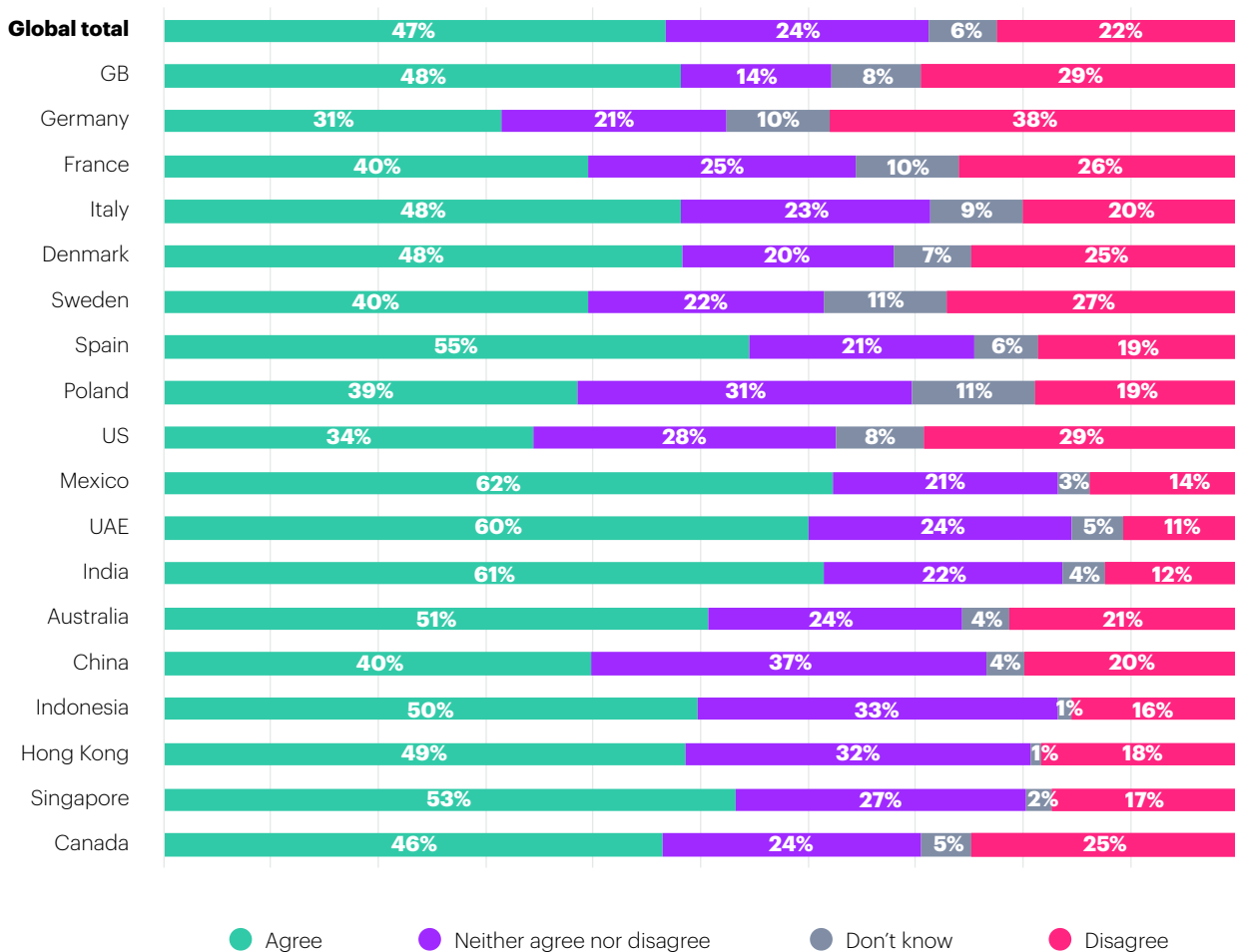
Almost one in two globally agree technology will remove the need for physical cash

To gain a deeper understanding into the adoption of financial technology globally we explored consumer perception of a cashless society. Across the 18 markets surveyed, YouGov data reveals that more than double the amount of consumers globally (**47%**) agree that ‘Technology will remove the need to use physical cash’ compared to just over one in five (**22%**) who disagree. A fifth of global consumers (**24%**) remain impartial.

Countries that are more open to a cashless society with more than six in ten agreeing with the statement include Mexico,

India, and UAE (**62%**, **61%** and **60%** respectively). In contrast, in Germany, we see the highest level of variance with the statement as a higher proportion disagree that technology will replace the need for physical cash (**38%**), compared to those that agree (**31%**). Of all 18 markets surveyed, Germany is the only country where level of disagreement with this statement is higher than the proportion in agreement.

Agreement with the statement ‘Technology will remove the need for us to use physical cash’ - by country



Q: To what extent do you agree or disagree with each of the following statement?

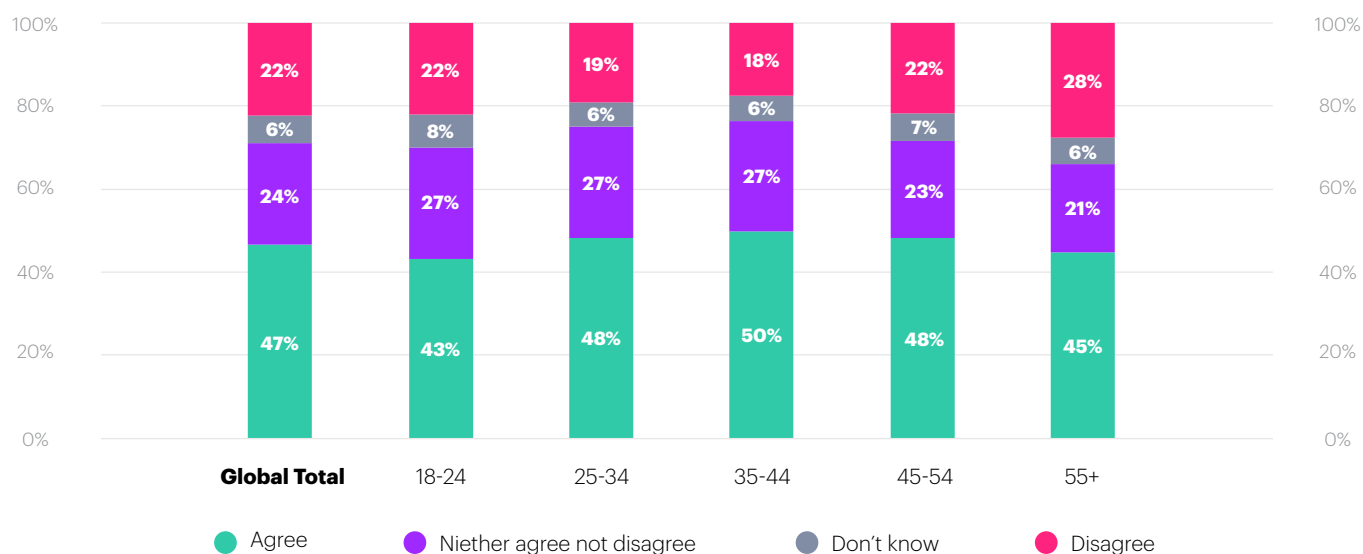


Level of agreement in the statement; 'Technology will remove the need to use physical cash' shows less variation by age. A higher proportion of global consumers in all age categories

agree with this statement than disagree, and over 55s are most likely to disagree compared to younger generations.

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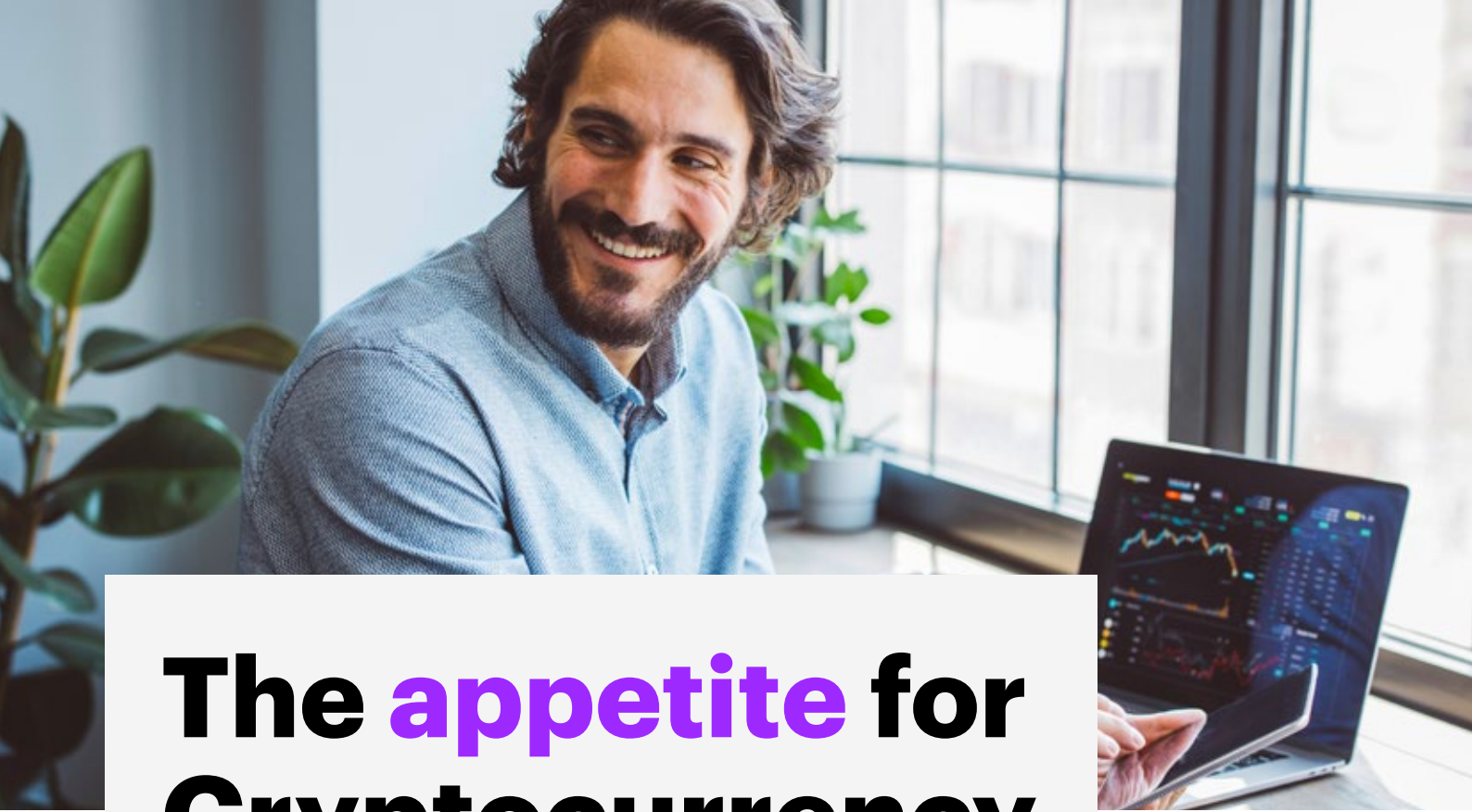
Technology will remove the need for us to use physical cash - level of agreement (Global)



Q: To what extent do you agree or disagree with each of the following statement?

However, the rise in cashless payments has also presented new challenges for the industry, most notably around fraud. As highlighted in our earlier section, top concerns around using digital financial services focussed on the fear of cybercriminals hacking into their accounts and identity fraud.

Building trust is pivotal in the adoption of financial services and as cited in our previous section, trust in digital wallets is not far behind that of traditional banking methods whereas trust in cryptocurrency is somewhere behind.

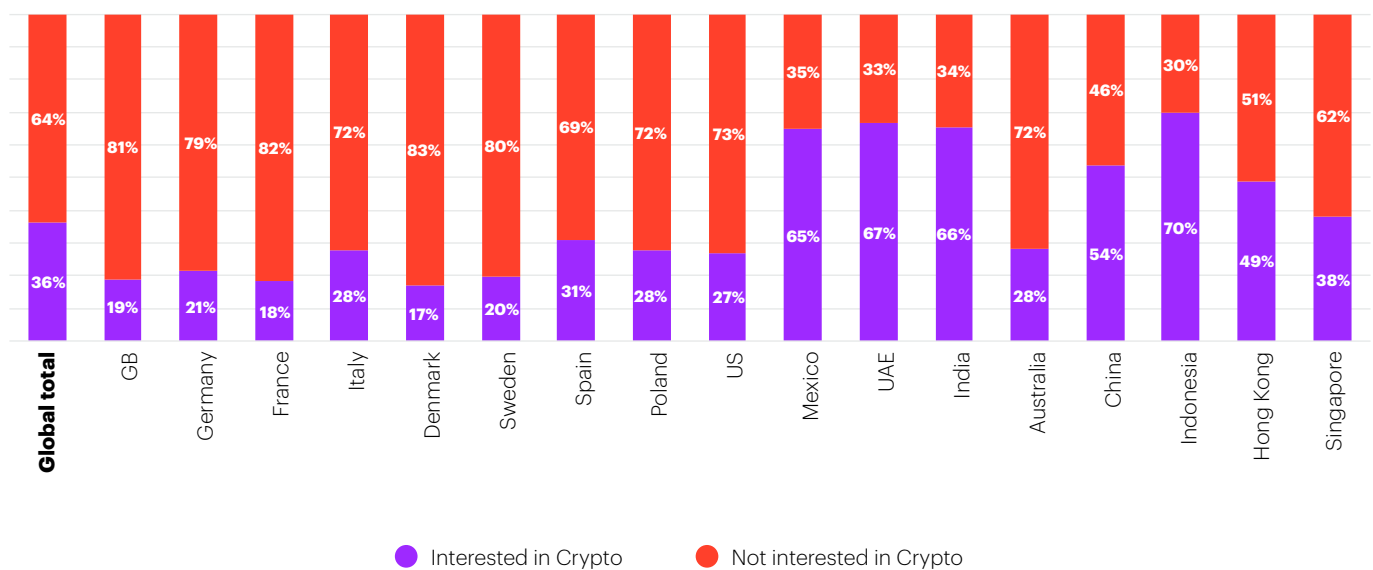


The appetite for Cryptocurrency

Using **YouGov Profiles** data and **YouGov Custom Research**, we explore the varying levels of engagement and interest around digital currencies, and in particular

cryptocurrencies. The rules and regulations regarding cryptocurrencies vary dramatically by country and we see notable differences across the 18 markets surveyed.

Interest in Cryptocurrencies by country



Q: How interested, if at all, are you in investing into cryptocurrencies (i.e., a digital currency that can be used to buy goods and services, but uses an online ledger to secure and track online transactions) within the next five years?



As we have already seen, across the 18 markets surveyed, Indonesians owned/held, bought, or paid with cryptocurrency the most in the past three months (**17%**), followed closely by India (**16%**) and UAE (**15%**). So not surprisingly, we see high levels of interest in cryptocurrencies

in these markets. The highest level of crypto curiosity is Indonesia (**70%**), followed by UAE (**67%**) and India (**66%**). Whereas lower levels of interest fall within the developed, and older markets of Denmark (**17%**), France (**18%**) and GB (**19%**).

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Gen Z driving interest in Cryptocurrencies

Younger age groups are more likely to be crypto-curious, with more than half of global consumers aged under **34**

expressing an interest in cryptocurrencies (**54%** in the Gen Z cohort and **53%** younger millennials).

Interest in Cryptocurrencies by age (Global)

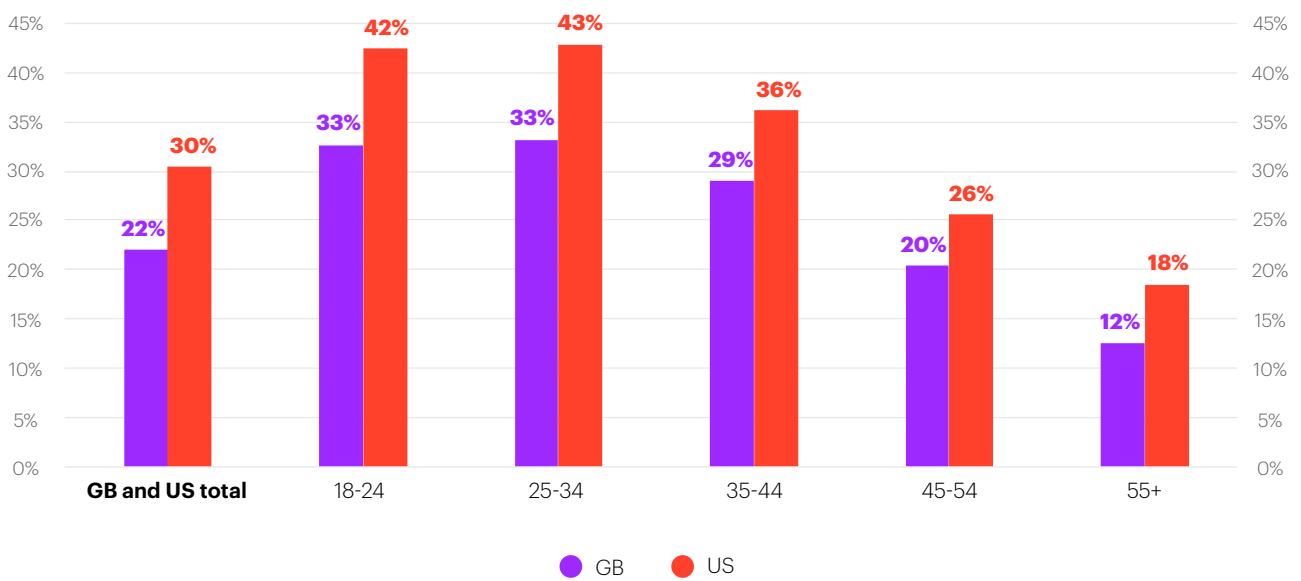
	Global total	18-24	25-34	35-44	45-54	55+
Interested in Cryptocurrencies	36%	54%	53%	45%	33%	15%
Not Interested in Cryptocurrencies	64%	46%	47%	55%	67%	85%

Q: How interested, if at all, are you in investing into cryptocurrencies (i.e., a digital currency that can be used to buy goods and services, but uses an online ledger to secure and track online transactions) within the next five years?

We have already seen that younger generations have higher levels of trust in cryptocurrencies, and lower levels of trust in traditional banking compared to consumers in other age categories. Furthermore, they are more likely to take risks. **YouGov Profiles** data in the US and GB shows that older age groups are more risk averse with their finances and younger demographics more likely to embrace risk. In GB, **22%** of

Brits agree with the statement 'I don't mind taking risks with my money', increasing to a third among **18-34**-year-olds. Agreement declines with age, with only **12%** of over **55's** reluctant to take risks with their finances. **YouGov Profiles** data in the US mirrors this pattern, although propensity for consumers to take risks across all age categories is higher in the US compared to GB.

'I don't mind taking risks with my money' by age - Net agreement (GB and US)



Finance statements agreed with - GB and US Profiles



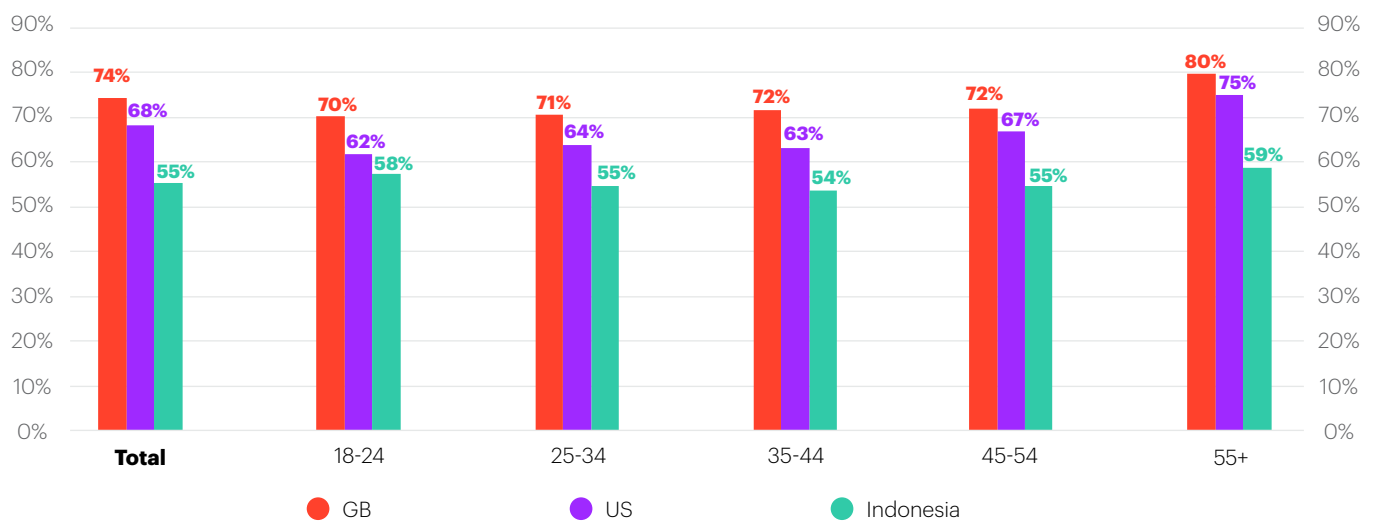


This openness to taking risks with their money makes them more open to experimenting with new cryptocurrencies, but do they understand what they are investing in?

Again, looking to the **YouGov Profiles** data in the US and GB, we see high levels of consumers stating they don't really understand cryptocurrency. Whilst the over **55's** are more likely to agree they don't understand cryptocurrency, high proportions of **18-24's** are equally confused. However, we must note that within these countries there was lower levels of interest overall compared to their Asian counterparts.

Comparing **YouGov Profiles** data in Indonesia, a country where we have previously seen higher levels of interest in cryptocurrency with seven in ten Indonesians (**70%**) stating an interest, we see more than half of Indonesians (**54%**) lack a clear understanding of crypto. However, this confusion is relatively stable across all age groups.

I don't really understand cryptocurrency' - Net agreement by age (GB, US and Indonesia)



Finance statements agreed with: GB, US and Indonesia Profiles

Whilst overall trust is low for cryptocurrencies, trust doubles among those who have embraced (taken out cryptocurrencies) and with younger populations and

younger consumers driving the adoption of cryptocurrency it is likely we will see further growth in future as awareness and understanding grows.

A young Black couple is shown in a close-up, smiling and looking at a tablet together. The woman on the left has curly hair and is wearing a yellow sweater. The man on the right has short hair and a beard, wearing a blue and white striped shirt. They are both looking down at a tablet held by the man. The background is blurred, suggesting an indoor setting with large windows.

SECTION 4

Rethinking the role of money – making sustainable financial choices

Are consumers considering the sustainability of their finances?

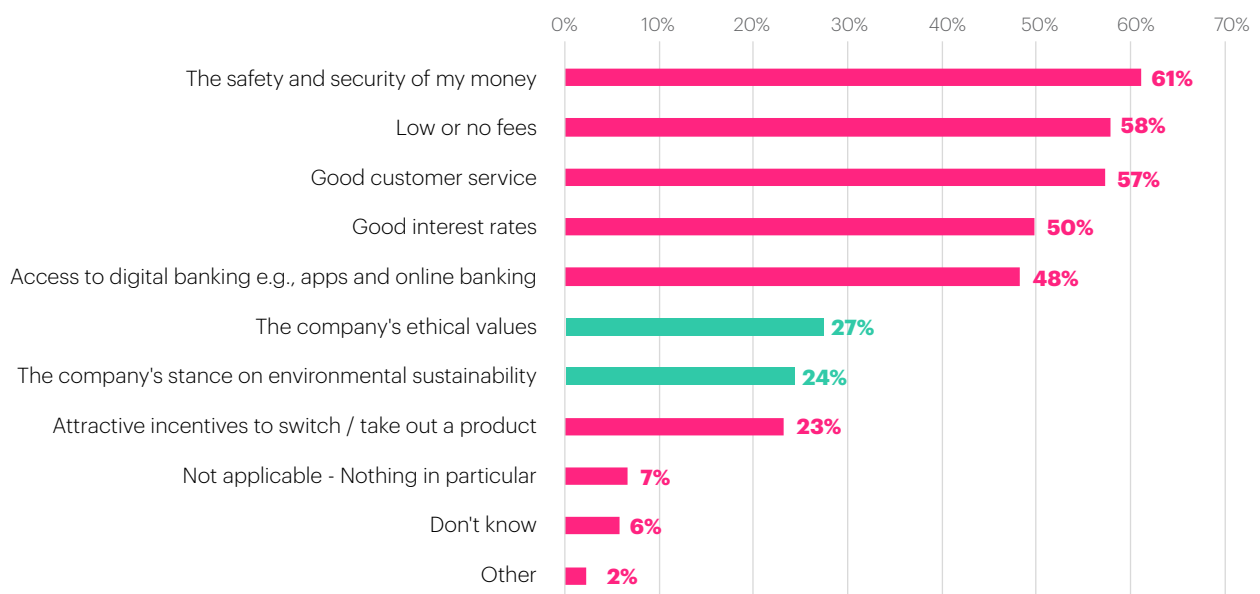
Consumers are increasingly altering their lifestyles to make more environmentally conscious choices. Whilst some of the most popular ways of supporting sustainability include making changes to diet and lowering energy consumption, doing business with companies fostering sustainability is gradually gaining importance.

As previously mentioned, there are many factors important to consumers when choosing a financial company. Even

though finance is not a mainstream category associated with environmental sustainability, for about a quarter of consumers (**24%**), a financial company's stance on environmental sustainability is a key factor when selecting them, and **27%** consider a company's ethical values important when making a choice.

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Factors important when choosing a financial company



Q: Which of the following are important to you when choosing a financial company (e.g., bank, insurance provider, investment app, etc.) for a new product or service?

Emerging markets lead the demand for sustainable choices

Interesting insights emerge when we explore the importance of ethics and sustainability in choosing a financial company by different markets and age. Consumers in emerging Asian markets are much more likely to choose a financial company based on ethics and eco-sustainability stance. Indonesia has the highest proportion of consumers who consider an organisation's environmental stance important (**41%**), followed by India

(**38%**), and China (**32%**). In India, one in four also consider business ethics important when selecting a financial company – the highest among all other markets. The high figures from emerging Asian markets could be attributed to the large proportions of Gen Z and millennial consumers who are much more environmentally conscious than their previous generations.

Factors considered important when choosing a financial company

Market	Company's ethical values	Company's stance on environmental sustainability
Global total	27%	24%
Indonesia	29%	41%
India	40%	38%
China	23%	32%
UAE	36%	31%
Australia	37%	30%
Mexico	35%	28%
Canada	31%	25%
GB	27%	24%
Italy	22%	24%
Singapore	40%	23%
Sweden	15%	22%
Hong Kong	27%	21%
Spain	31%	20%
Denmark	23%	19%
US	27%	18%
France	19%	17%
Germany	15%	16%
Poland	20%	16%

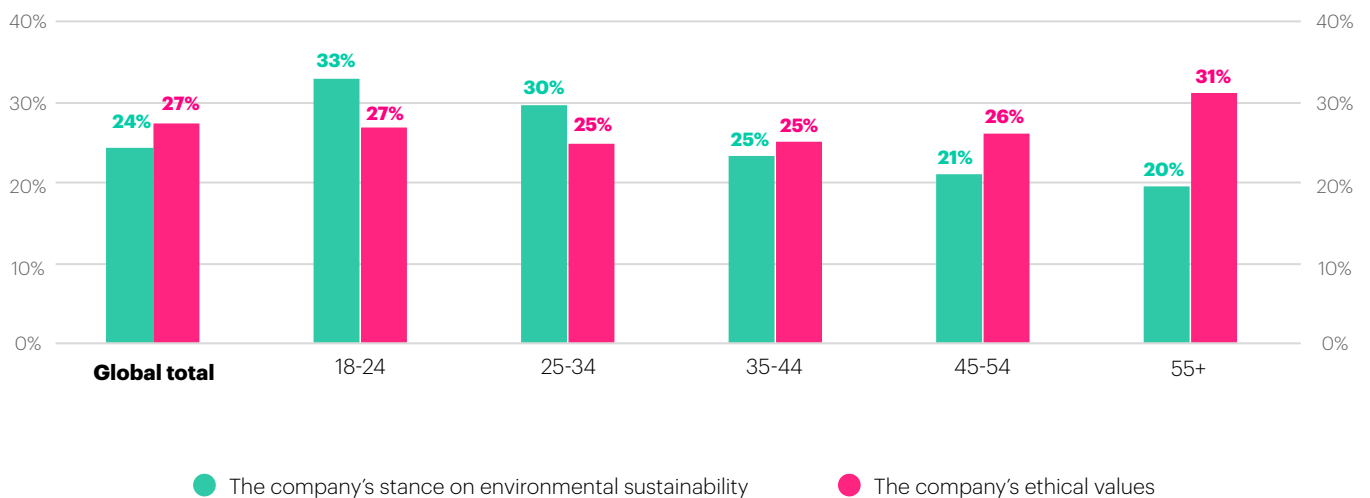
Q: Which of the following are important to you when choosing a financial company (e.g., bank, insurance provider, investment app, etc.) for a new product or service? Please select all that apply.

Looking at the data by age, global consumers aged **18-34** are more likely to seek out sustainability-oriented financial companies than those in other age groups. Furthermore, a higher proportion consider a company's stance on environmental sustainability to be more important than

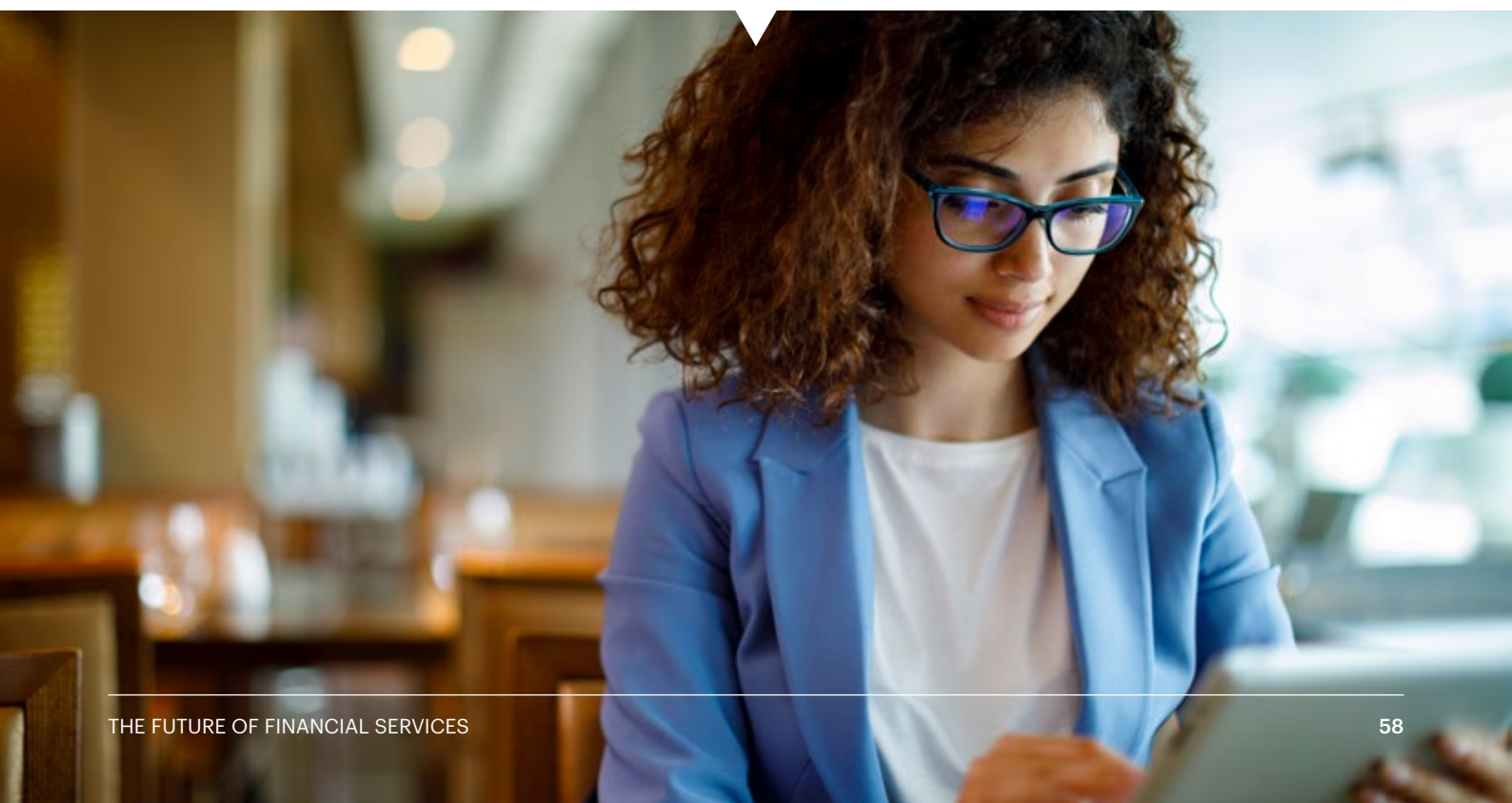
ethical values when choosing a financial company. It is crucial for financial companies to view the **18-34** age group as an important customer base as they have increasing earning spending capacities as well as a strong influence on market trends.

► **SPEAK TO A RESEARCHER**

Factors important when choosing a financial company by age (Global)



Q: Which of the following are important to you when choosing a financial company (e.g., bank, insurance provider, investment app, etc.) for a new product or service?

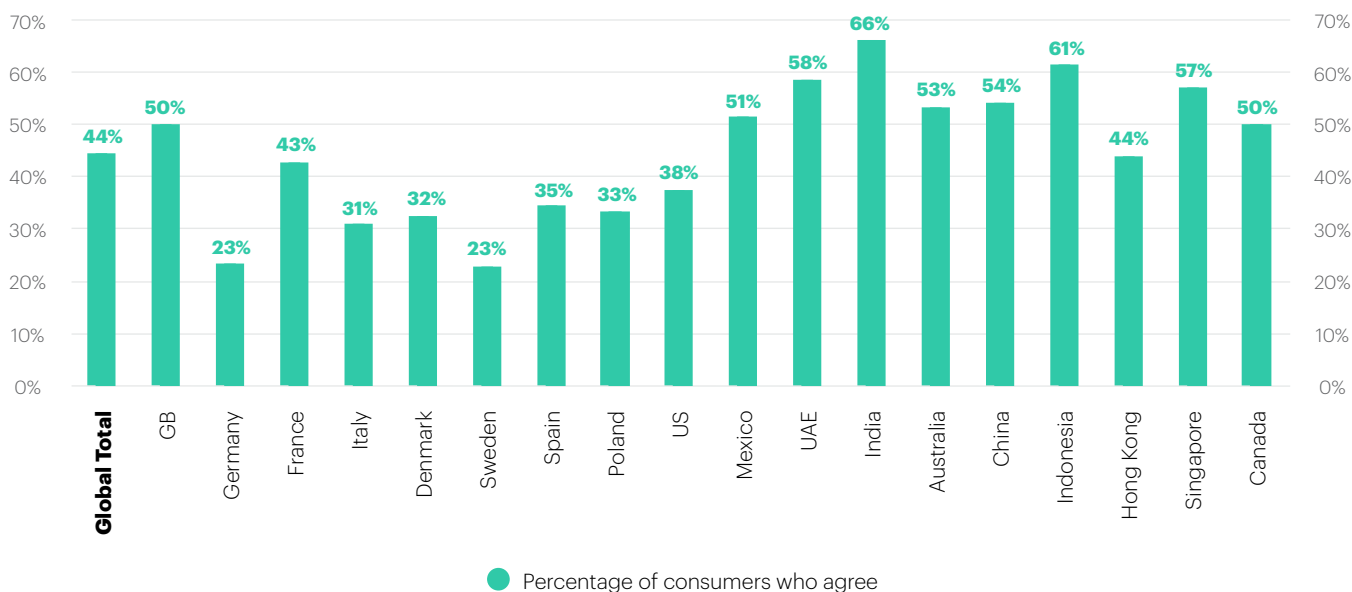


Do consumers think financial services companies have a role to play in helping the world become more sustainable?

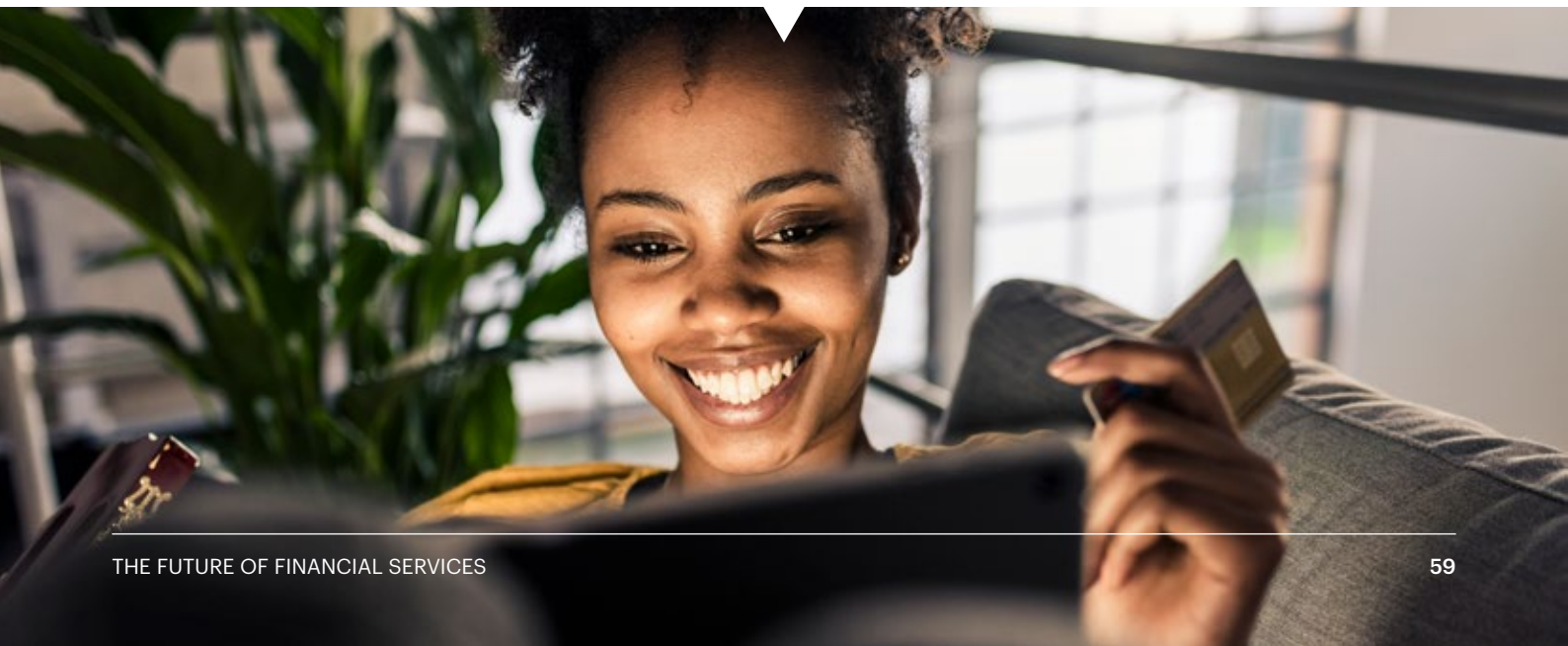
Apart from sustainability changes consumers are making at individual levels, their investment decisions in the financial sector can play a crucial role in driving far-reaching sustainability-led outcomes. The highest percentage of consumers who agree with the statement 'Financial services companies have a significant role to play in helping the world become more sustainable' are from emerging markets including India (66%), Indonesia and UAE (58%). Young

consumers, who are strong advocates of sustainability and take well-educated actions to play their part, dominate these markets. Globally, younger generations are also most likely to agree with this statement. About half of consumers in the **25-34 (49%)** and **35-44 (48%)** age categories believe that financial services companies have a key role to play in promoting sustainability.

“Financial services companies have a significant role to play in helping the world become more sustainable” - Net agreement by country



Q: To what extent do you agree or disagree with each of the following statements?



Younger consumers drive demand for sustainable investments

Whilst the adoption of sustainable investments is currently low, younger consumers are driving 'green' actions. The **25-34** age group are early adopters and lead the adoption of 'green' products. Consumers from the Gen Z cohort closely follow their preceding generation. Those age **55+** have made the least investment in 'green' products. A range of different factors – including the rates, fees, and projected returns consumers are likely to earn by changing how and where

their investments are made – impact the uptake of 'green' financial products. Possibly, a strong, lingering perception that sustainable investments come with both higher fees and weaker returns than more traditional investments deter older consumers' adoption. They may also feel there is higher risk and perceived financial sacrifice to invest sustainably as they are drawing closer to their retirement age.

► [LEARN MORE ABOUT THIS DATA](#)

Actions taken to increase the sustainability of your finances by age (Global)						
	Global total	18-24	25-34	35-44	45-54	55+
Taken out a "green" product (i.e., products that fund projects that have positive environmental and/or climate benefits, e.g., green bonds)	16%	23%	23%	19%	13%	7%
Asked that your money is not invested in specific sectors (e.g., the fossil fuel industry, companies that undertake animal testing, etc.)	14%	19%	21%	15%	11%	7%
Taken out an "impact" investment product (i.e., investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return.)	15%	23%	24%	19%	12%	6%

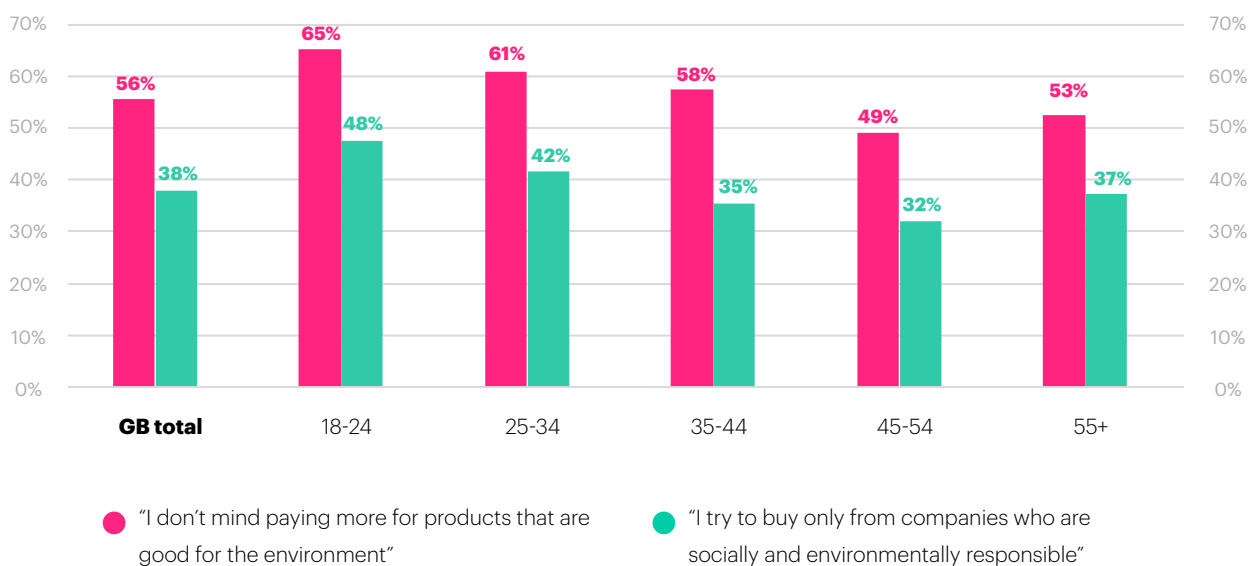
Q: Thinking about your savings, investments, and/or pension products, have you ever done any of the following to increase the sustainability of your finances?



Turning to **YouGov Profiles** data in the Great Britain, we can see that younger age groups are willing to pay more for sustainable products and try to align themselves with companies that are socially and environmentally responsible. Whilst, more than half of Brits, agree with the statement 'I don't mind paying more for products that are good for the

environment', this increases to almost two thirds among **18-24-year-olds (65%)**. This generation are also more likely to agree with the statement; 'I try to buy only from companies who are socially and environmentally responsible (**48%**) compared to only **38%** of the total GB population.

Attitudes to buying sustainable products - Net agreement by age (GB)



Environmental statements agreed with GB and US Profiles



A woman with long dark hair and glasses, wearing a dark blue top, is looking down at a document in a meeting. She is holding a pen in her right hand. Another person's hand and pen are visible in the foreground, also looking at the document. The background shows vertical blinds and a window.

Summary

The rate of transformation and fragmentation of the financial services industry is unlikely to slow anytime soon. Instead, it is only likely to further accelerate as traditional industry players rush to evolve their business models and product portfolios to defend their market share from the proliferation of new market entrants and product innovations.

Trust and innovation dichotomy

As our report has highlighted, one of the key challenges facing the industry is that a dichotomy now exists between trust and innovation. The traditional retail banking providers who have had time to build consumer trust over many decades now need to innovate and adapt at speed to keep pace.

On the other hand, for new market entrants, the primary challenge is to build trust with consumers, and swiftly expand their market share before the traditional retail providers can pivot to counter the first-mover advantage.

To do this, emerging providers need to have a clear understanding of consumer behaviours, and identify which markets and audiences are most likely to adopt their products. They also need to be aware of the barriers to usage, and the messaging that may help to drive audience share - particularly among those that may switch from traditional providers.



An example of the trust and innovation industry dichotomy is the Buy Now Pay Later market, which flipped the traditional consumer lending model on its head by generating profits largely through merchant deals, rather than from consumers paying interest on their borrowing. The Buy Now Pay Later model challenges the traditional credit card and (to a lesser extent) the personal loan market since it costs the consumer less money than traditional borrowing mechanisms. The question now for traditional providers is how can they innovate and leverage their currently stronger levels of brand trust to stave off the erosion of their current market and audience share from Buy Now Pay Later providers?

With their higher operating costs, will traditional retail banks be able to deliver products that have the same meaningful appeal to consumers, specifically offering no cost borrowing? If so – and, conversely, if not – what does this mean for the future profitability of traditional brands? For newer market entrants who specialise in this space, the question is how can they leverage their low-cost models to ensure they retain competitive advantage over more trusted traditional retail providers entering this space? And how can they build greater trust in both their brands and products?

Addressing barrier to entry

As we have already seen from this report, low or no fees is a key consideration for consumers, as is the safety and security of their money. For digital only banking, payments, and cryptocurrency, a fear of financial loss can act as a barrier

to adoption, and there is a substantial need for emerging providers to overcome this objection to prove that they can be trusted, and that consumers' money can be kept secure.



For digital only banking, payments, and cryptocurrency this is first and foremost around the digital security of assets and knowing that someone will be there to help if things go wrong. For traditional retail providers entering this space, they need to address concerns across multiple age-groups, drive adoption among older users whilst future-proofing their


business models to drive appeal with younger generations. For sustainable investments this is about ensuring that relative returns on investment are not substantially weaker than those seen for non-sustainable investments – thus leading to the perception of having incurred indirect financial loss as a result of making more sustainable choices.

The rise of sustainable investing

Beyond rates and fees and security linked to digitisation, we also see that other pandemic-accelerated trends, such as sustainability, are also affecting consumer choices in the financial services industry and are likely to grow in prevalence in the future. The Gen Z and Millennial generations are driving the adoption of 'green' financial products and services and are more likely to seek sustainability-oriented financial companies than those in any other age category. They

are also most likely to trust sustainable investments, and trust will be a key factor in driving future demand for these products and services. These consumers are the 'audience of the future', with high spending capacity, and a strong influence on market trends. Therefore, it is crucial for financial companies to recognise the value of this the Gen Z and Millennial generations and align their products and services with their growing sustainable interests and needs.

► [EXPLORE MORE DATA](#)



YouGov's global data coverage and expertise provides an important resource for financial companies to better understand audiences, their changing needs, and emerging innovation adoption. This will help financial organisations to identify where they should be focussing their own transformation efforts and enable them to align their products and services with the needs of their consumers.

Our Data

The insights in this report are drawn from a recent global **YouGov Custom Research** survey on the future of financial services and, specifically, exploring evolving trends in the financial services industry and the future financial services landscape, covering 18 global markets of more than 20,000 respondents. Our survey results were further bolstered by connecting respondent level data to YouGov's proprietary syndicated data solutions, **YouGov Profiles**, allowing us to merge our respondents and their answers to the 100,000s consumer attributes that we collect on an ongoing basis for audience segmentation and profiling.

Our survey was fielded the week of 15th December – 30th December 2021

The YouGov panel provides a naturally accurate and representative view of the population. Data is adjusted using a mild weighting team using interlocking demographic characteristics—methodology considered advanced in the market research space. For this report series the following population representation was used:

Region	Market	Population Sampled Representation	Sample Size (n=)
North America	US	National representative - 18 years of age +	2,172
	Canada	National representative - 18+	1,027
	Mexico	National (Urban focus) - 18+	1,051
Europe	Great Britain	National representative - 18+	2,017
	France	National representative - 18+	1,018
	Germany	National representative - 18+	1,062
	Spain	National representative - 18+	1,018
	Denmark	National representative - 18+	1,018
	Italy	National representative - 18+	1,017
	Poland	National representative - 18+	1,006
	Sweden	National representative - 18+	1,022
APAC	Australia	National representative - 16+	1,018
	China	National Online - 16+	1,014
	Hong Kong	National Online - 18+	513
	Indonesia	National Online - 18+	1,034
	India	National Online (Urban only) - 18+	1,011
	Singapore	National representative - 18+	1,063
MEA	UAE	National representative - 18+	1,012

Thank you

YouGov is an international research, data and analytics group. We have been building an ever-growing source of consumer data for over 20 years, creating the richest and most complete understanding of your customers' complex lives. We call it living data. Understand what 17 million+ registered panel members in over 55 markets are thinking, on over a million - and growing - data points. Re-Contact and dig deeper to explore, plan, activate and track marketing activity with certainty, at speed, every time. Living Consumer Intelligence.

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