

Fintech Adoption

November 2021



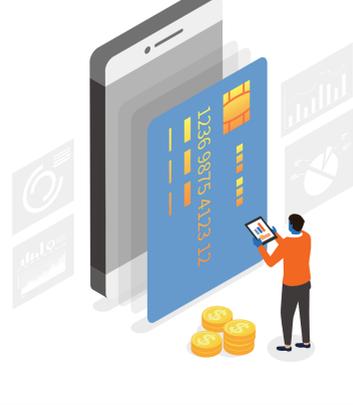
Digital use increases fintech relevance

More people manage money through apps and websites than ever before.



Fintechs fill the gaps

People turn to fintechs for many financial services, from credit checks to buying crypto.



Data sharing concerns some people

Compared to older generations, Gen Z and millennials are far more inclined to share financial information with a fintech.



Fintechs are part of the financial experience

Most people use some kind of fintech not associated with a bank or credit union.

A Word on Fintech | In this survey, "fintech" is defined as third-party apps or websites not affiliated with a financial organization (that is, a traditional bank or credit union).

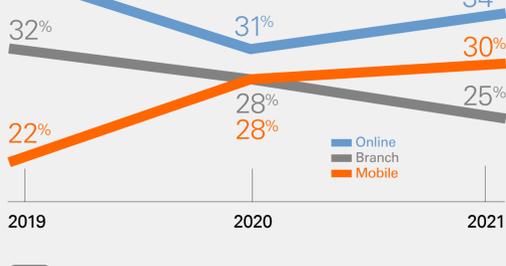
Digital sets the stage for fintech growth

For the first time, mobile has overtaken branches as consumers' preferred method of interacting with their primary financial organizations. Online banking remains the top choice, with 34 percent saying it is their preferred way to connect with their financial organization. Mobile follows, with 30 percent saying they prefer it – up from 22 percent in 2019.

Preferences are influenced by age. Gen Z and millennial consumers show a clear preference for mobile (47 percent) over online (27 percent) and branch (13 percent).

78% of people 40 and under would stay with their bank if it went all digital, compared with only **47%** of people over 40

Preferred Ways to Interact With Primary Financial Organization



People 40 and under prefer digital (mobile and online) over the branch at a rate of nearly 6:1

Survey questions to all respondents: In which of the following ways would you most prefer to interact with your primary financial organization? / Imagine that your bank notified you that it was going all digital and the only way to access your account was through online and mobile banking. Would you use this digital bank as your primary financial organization?



Fintech-friendly products make big gains

Use of digital wallets has increased steadily over the last three years. Nearly seven in ten consumers (68 percent) used digital wallets in the 12 months prior to the survey, compared with 49 percent in 2019. Much of the growth is driven by increases in third-party (nonfinancial institution) digital wallets. In 2019, 33 percent used a fintech's digital wallet and by 2021, the share increased to 46 percent.

Two-thirds of consumers (67 percent) now use voice-activated devices. Though still in early stages, use of voice banking is also up, increasing from 9 percent in 2019 to 18 percent in 2021. Increased use of digital products is noteworthy as it potentially creates opportunities for financial organizations and fintechs to expand digital wallet and voice-activated services.

Increase in Digital Wallet Use Tied to Fintechs

46% of those who used a digital wallet used a third-party (nonfinancial organization) digital wallet – up from 33% in 2019



67% of consumers use voice-activated devices

2X Voice-activated banking doubled, from 9% in 2019 to 18% in 2021

Survey questions to all respondents: In the past year, on which of the following devices have you used voice-activated services? Please select all that apply. / Have you used any of the following digital wallets to make a mobile or digital payment in the past 12 months? Please select all that apply.

Fintechs fill the gaps for some services

Many people rely on their primary financial organization and fintechs for financial services, from paying a person to tracking spending. For services not always offered at financial organizations, including investing, monitoring credit, or buying and selling cryptocurrency, consumers engage more with third-party, nonbanking fintechs.

61% of Gen Z and millennials want their bank or credit union to hold crypto

84% of consumers say "no" or "don't know" if their financial organization offers the ability to buy and sell crypto

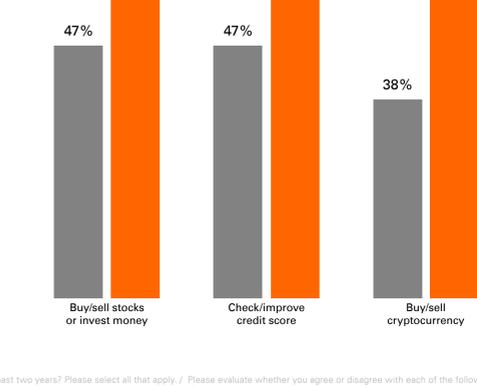
Of Gen X and boomers who bought or sold crypto, **78%** did it through a third-party app or website



Services Used for Banking Activities and Investing

(Among those who do each activity)

■ My bank or credit union
■ A nonbanking app or website
Not all response options are shown



Survey questions to all respondents: Which of the following, if any, have you done in the past two years? Please select all that apply. / Please evaluate whether you agree or disagree with each of the following statements. / Which of the following best describes how much you know about (INSERT BANK) offerings in each of the following areas? / Survey question to those who selected the activity: For each of the following, did you use a bank/credit union, or an app/website not associated with an FO?

Comfort with sharing banking data is all about age

Accessing many fintech services requires connecting bank account data. However, 52 percent of consumers say they are not likely to consent to sharing account information with a technology company to access financial services. This is highly driven by age, with 72 percent of boomers and seniors saying they are not likely to share. For consumers 56 and under, only 35 percent say sharing is unlikely.

More than half (52 percent) of Gen Z and millennial consumers say they are willing to share account information with a third party for more personalized banking experiences. That compares to less than one-third (31 percent) overall.

Among those who are willing to share their information, the types of services they are interested in vary. Saving money (60 percent) tops the list, followed by investing (55 percent) and tracking spending (50 percent).

Who's not likely to share financial account information?
35% of people 56 and under
72% of people 57+



31% say they'll share data with a third-party app or website service for more personalized banking

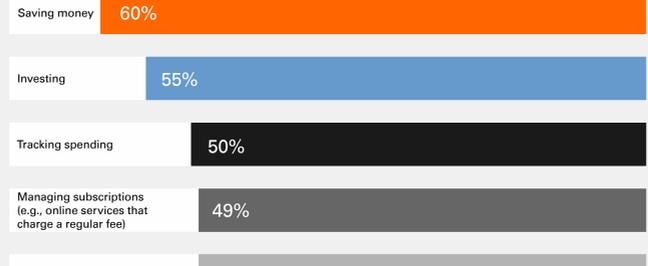
52% of Gen Z and millennials say they'll share data for more personalized banking

Survey questions to all respondents: Imagine that a well-known technology company offered a mobile app or website that allowed you access to a set of financial services, but it required you to link your banking information. How likely are you to consent to share your banking/checking account information for this purpose? / Please evaluate whether you agree or disagree with each of the following statements.

People willing to share data are interested in a variety of services

What Drives People to Share Their Banking Information?

(Among those who are likely to share banking info)
*Those who are unwilling to share for any reason (12%) not shown.



88% chose at least one of these activities

Survey question to those likely to share their banking information: For which of the following services, if any, would you be willing to share your banking information in order to access the service?

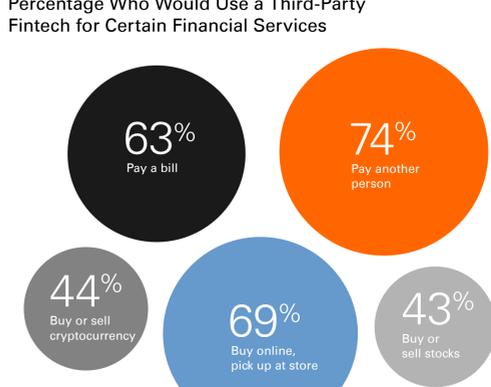
Consumers are open-minded about fintech use

People are open to using third-party nonbanking apps and websites for a variety of financial services, including paying a bill (63 percent), buying a product online and picking it up in store (69 percent), and paying another person (74 percent).

People say they are less likely to use a fintech service to buy and sell stocks (43 percent) or cryptocurrency (44 percent). That is likely attributable to a smaller number of people engaging in those activities.

Openness to fintech use is influenced by age. For example, 54 percent of Gen Z and millennial consumers say they would definitely use a fintech to buy or sell stocks, compared with only 32 percent of Gen X, boomers and seniors.

Percentage Who Would Use a Third-Party Fintech for Certain Financial Services



Survey question to all respondents: Assuming all of the payment options displayed were possible and available to you, drag and drop each payment option according to how likely you are to use each in that situation.

Awareness is high for most types of fintech apps but use varies

When asked about specific types of fintech apps and websites, most people said they were aware of fintech services for payments (100 percent), budgeting (94 percent), lending/neobank activities (81 percent) and investments (82 percent).

Only under half of people (49 percent) saying they are aware of these types of services.

Among those who are aware of specific services, payment apps have the highest use, with 86 percent saying they use at least one payment app.

Budgeting apps are used by 43 percent of consumers who are aware of them. Newer, more targeted services, including lending/neobanks, investments and crypto, show lower use than more established categories.

Category Awareness and Usage

Bases vary



Survey question to all respondents: How familiar are you, if at all, with each of the following services / Survey question to those familiar with the brand in question: Have you ever used any of the following services to make a payment or transfer money?

About Fiserv

Fiserv, Inc. (NASDAQ: FISV) aspires to move money and information in a way that moves the world. As a global leader in payments and financial technology, the company helps clients achieve best-in-class results through a commitment to innovation and excellence in areas including account processing and digital banking solutions; card issuer processing and network services; payments; e-commerce; merchant acquiring and processing; and the Clover® cloud-based point-of-sale solution. Fiserv is a member of the S&P 500® Index and the FORTUNE 500®, and is among the FORTUNE World's Most Admired Companies®.

About The Harris Poll

The Harris Poll is one of the longest running surveys in the U.S., tracking public opinion, motivations and social sentiment since 1963 that is now part of Harris Insights & Analytics, a global consulting and market research firm that delivers strategic intelligence for transformational times. We work with clients in three primary areas: Building twenty-first-century corporate reputation, crafting brand strategy and performance tracking and earning growth media through public relations research. Our mission is to provide research and advisory to help leaders make the best decisions possible. To learn more, visit theharrispoll.com.

Methodology

The survey was conducted online within the U.S. by The Harris Poll from August 9–31, 2021. A total of 3,033 interviews were conducted among U.S. adults ages 18 and older who met the following criteria: Someone in the household currently has a checking account with a bank, credit union, brokerage firm or other financial organization and has used their checking account to pay a bill or make a purchase in the past 30 days. The data were weighted to ensure that relevant demographic characteristics of the sample matched those of the U.S. general population. All respondents (not only those who met the qualifying criteria) were weighted to U.S. Census Bureau demographic profiles for the U.S. population, age 18+ on education, age, gender, race, income, region, marital status, employment status, household size and propensity to be online.

Notes: The reference questions and answer text provided here have in some cases been shortened due to space constraints. The complete text for any questions referenced in this report is available upon request. Age groups referenced in the survey are defined as follows: Gen Z (18–24), millennials (25–40), Gen X (41–56), boomers (57–75) and seniors (76+).



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