


How Consumers Use Digital Banks, a PYMNTS and Treasury Prime collaboration, draws on findings from a survey of 2,124 U.S. consumers to learn about their banking relationships and how they use digital banks. It also examines the services they are seeking and what would encourage them to switch to a digital bank.

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PRIME

HOW CONSUMERS USE DIGITAL BANKS

September 2022

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ACKNOWLEDGMENT
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Introduction

We are at the dawning of a new age — the mainstreaming of digital banks. Some consumers might say they prefer to stick with a tried-and-true traditional bank with near-by brick-and-mortar branches, but the data says otherwise: Two-thirds of consumers PYMNTS surveyed have used a digital bank.¹ In particular, FinTech banking activities from both PayPal and Venmo have experienced widespread adoption, with approximately half of consumers saying they have used PayPal in the last year.

Consumers have already started making digital banks a part of their personal banking infrastructures, allowing them to make and receive payments and transfer money more easily. For now, consumers are using these tools primarily in purpose-built ways, but this has opened the door to increased amounts of digital-only banking. Indeed, digital-only banking is already very common among millennials, freelancers and small business owners. Its appeal is so diverse that both consumers earning more than \$100,000 annually and consumers

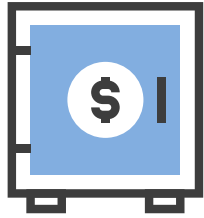
living paycheck to paycheck with difficulty paying bills exhibit notable interest. Six out of 10 consumers say they would be interested in joining a digital bank.

What is keeping consumers from making the leap to these new financial institutions (FIs)? We found the answer includes inertia, distrust of these newcomers and comfort with their current banks, but our findings also suggest that this status quo may be changing.

How Consumers Use Digital Banks, a PYMNTS and Treasury Prime collaboration, provides an in-depth view of the state of digital banks in 2022. We surveyed 2,124 United States consumers between June 30 and July 7 about their banking relationships, their use of digital banks, what digital bank services they are looking for and what it would take to get them to switch to a digital bank.

This is what we learned.

¹ We define “digital banks” as banks and FinTechs that offer bank-like products and services through mobile apps or websites and, unlike traditional banks, do not have physical branches. These include firms such as Ally, Chime, Current and Varo.



Digital banks are popular, but consumers generally do not view them as primary options. Although two out of three consumers have used such banking services in the last year, just one in 10 have their primary accounts with a digital bank.

While consumers are typically comfortable using FinTech banking services such as PayPal, Venmo, Chime and others as auxiliary banking services — supplements to the services offered by their more traditional banks — few consumers exclusively use digital-only banks. Excluding consumers who have used PayPal and Venmo, 25% of consumers have used a neobank, digital bank or FinTech with bank-like services in the past 12 months. Just 10% of respondents say that their primary bank accounts are with digital banks.



Although 39% of traditional bank users say digital banks can be true alternatives to traditional ones, more than half have no plans to switch to digital banks. Lower fees are a key driver prompting consumers to switch.

Consumers cited several reasons for their disinterest in digital banks: 34% cited satisfaction with their current bank as the most important reason, 13% wanted to retain access to physical branches, 15% cited concern for the overall security of their money and information and 14% did not trust the reliability or longevity of digital banks. Ninety percent of consumers who use digital banks as their primary FIs are satisfied with the institution, while 84% of respondents using local or community banks as their primary FIs and 81% of respondents using national banks say the same.



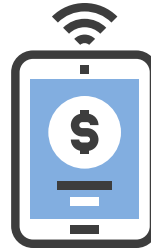
Three out of five consumers are at least somewhat interested in using a digital bank in the next year, primarily for easy money movement to third parties. A little more than one-third of respondents are very or extremely interested in using a digital bank in the next year, largely for lower costs.

The primary reason consumers are interested in using digital banks is for improved transfers: 43% of consumers say this is their greatest motivator. Thirty-three percent of respondents cited lower costs as a reason for interest, with 11% saying it was the most important reason; 17% cited better notifications, with 3% saying this was the most important reason for their interest. Millennials are also interested in digital banks because they perceive them to be more secure and because they provide earlier access to the newest technologies, among other reasons.



Millennials, small to mid-sized business (SMB) owners and financially stressed consumers are most likely to make a digital bank their primary bank. More than three-quarters of each use digital-only banking services.

PYMNTS' data finds that 85% of freelancers, 84% of millennials, 83% of small business owners and 78% of consumers who live paycheck-to-paycheck and have issues paying their bills use digital-only banking services.



More than half of all consumers surveyed have used PayPal in the past year, making it the most common FinTech banking service provider. Chime is the most used dedicated digital bank.

PayPal and Venmo are heavy hitters in the space, and dedicated digital banks are still far more obscure. We found that 8% of consumers have used Chime and 5% have used Ally. No other digital bank or FinTech exceeds 5% usage among our sample. Among consumers whose primary banks are digital-only, 39% have used Chime, 12% have used Varo, 11% have used Dave and SoFi money and 10% used Ally and Current. Even among these enthusiasts, no other digital banks or FinTechs exceed 10% usage among primary FinTech bankers.



Banking personas

PYMNTS' research found that there are five types of bank users:



Primary FinTech bankers

These consumers' primary banks are digital-only. This persona represents an estimated 22 million consumers nationwide and 9% of PYMNTS' sample.



Primary traditional bankers

These consumers do not use FinTech banking services at all, including PayPal and Venmo. This segment represents approximately 53 million consumers nationwide and 21% of PYMNTS' sample.



Auxiliary FinTech bankers

These consumers' primary banks are traditional, and they are loyal to those institutions, yet they also utilize digital banks for specific needs.



Mainstream bankers

These consumers' primary banks are traditional, but they also tend to use PayPal or Venmo. Mainstream bankers represent approximately 106 million consumers nationwide and 41% of PYMNTS' sample.



The unbanked

These consumers do not have bank accounts or use any banks, traditional, digital or otherwise. They represent approximately 20 million U.S. consumers and just less than 8% of PYMNTS' sample.

Table 1:

Banking personas

Statistics relating to banking histories, by persona

	Primary FinTech bankers	Primary traditional bankers	Auxiliary FinTech bankers	Mainstream bankers	Unbanked
• Real number of people (%)	22M (9%)	53M (21%)	57M (21%)	106M (41%)	20M (7.6%)
• Unbanked share	0	0	0	0	1
• Primary FinTech banker share	1	0	0	0	0
• Primary traditional banker share	0	1	1	1	0
• Paycheck to paycheck and struggling	40%	17%	27%	26%	45%
• Average income	\$90,968	\$84,507	\$112,820	\$87,585	\$62,055
• Average age	37	56	40	50	41
• Used no digital banks	0%	100%	0%	0%	20%

Source: PYMNTS
How Consumers Use Digital Banks, September 2022
N = 2,124: Complete responses,
fielded June 30, 2022 – July 7, 2022

FinTech banking's move to prominence

Whether they realize it or not, consumers have already mainstreamed FinTech banking. PYMNTS' data finds that two-thirds of consumers already use FinTech banking services in some form, including 84% of millennials and members of Generation Z. The great leap, however, will be consumers' transition from using these banks as auxiliary, extra services to holding their primary bank accounts.

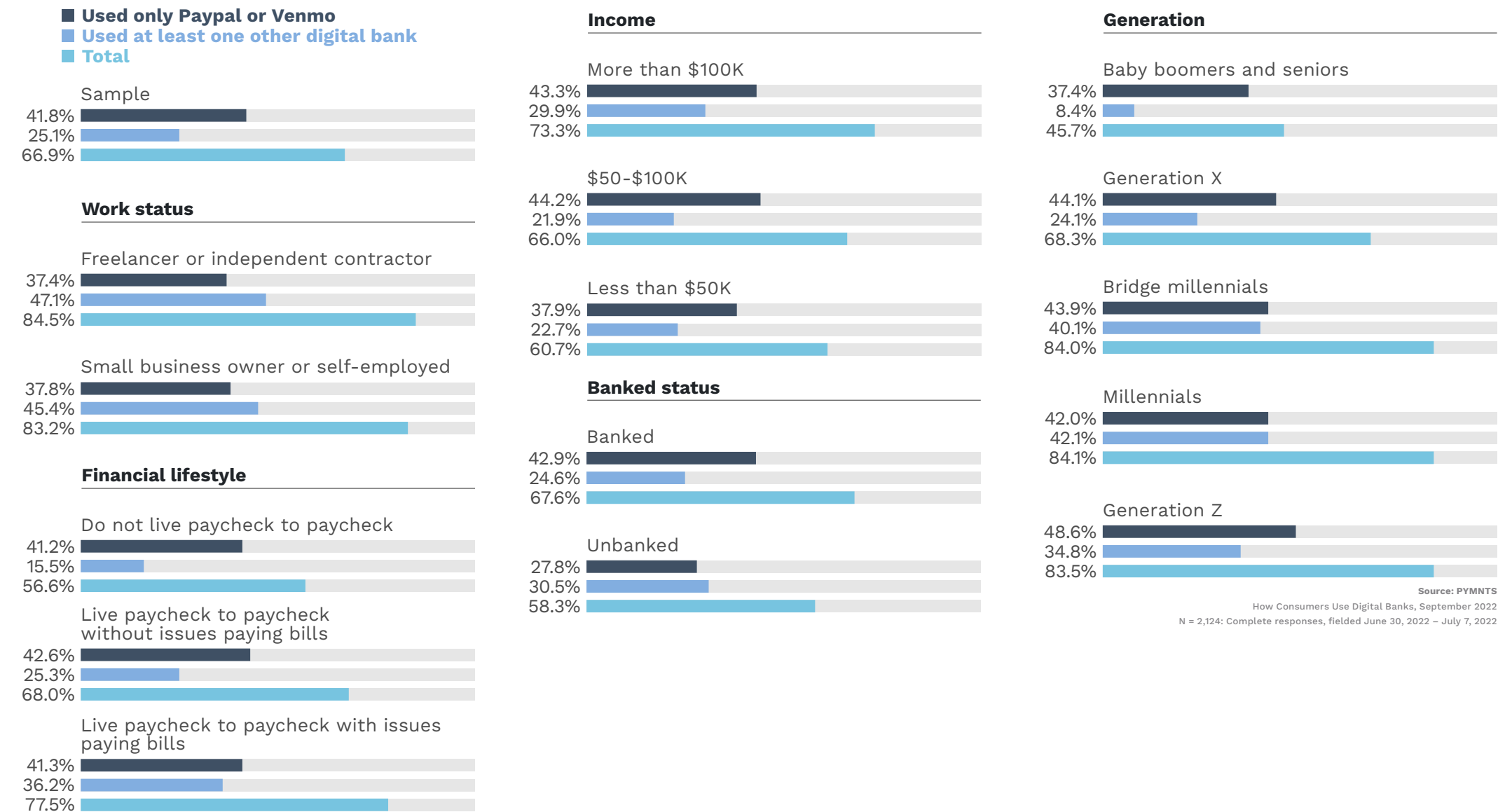
That has not yet occurred, however, and the FinTech banking services of today often take the form of a purpose-built application, such as PayPal or Venmo. If we remove those two apps from our survey, 25% of consumers have used a neobank, digital bank or FinTech with bank-like services in the past 12 months.

Despite this general familiarity with digital-only banking, just roughly 10% of respondents say that their primary bank accounts are with digital banks.

Figure 1A:

The transition to FinTech banking

Share of consumers who have used a digital bank in the past year

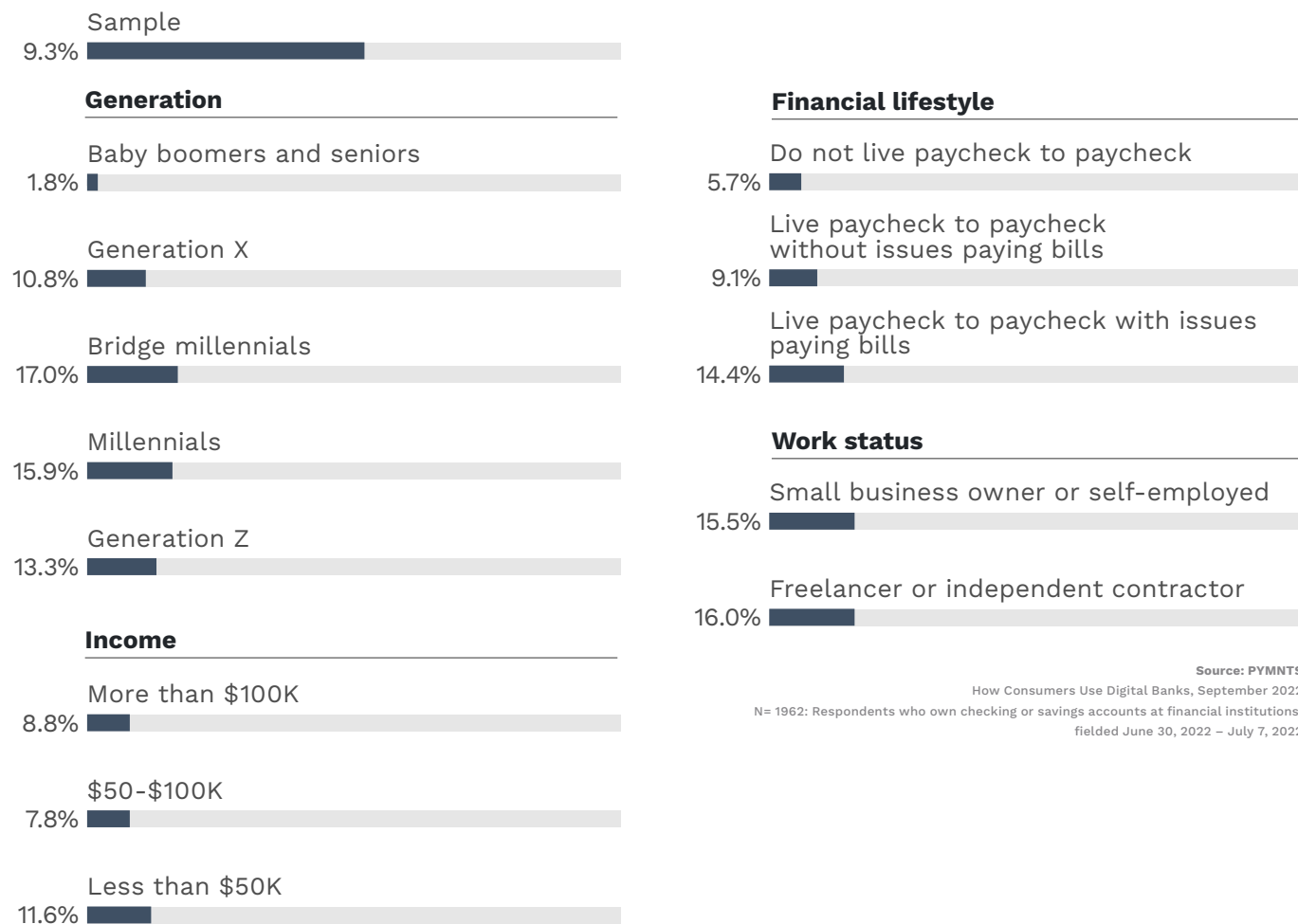


Source: PYMNTS
 How Consumers Use Digital Banks, September 2022
 N = 2,124; Complete responses, fielded June 30, 2022 – July 7, 2022

Figure 1B:

The transition to digital-only banking

Share of bank consumers who have their primary financial accounts at digital banks

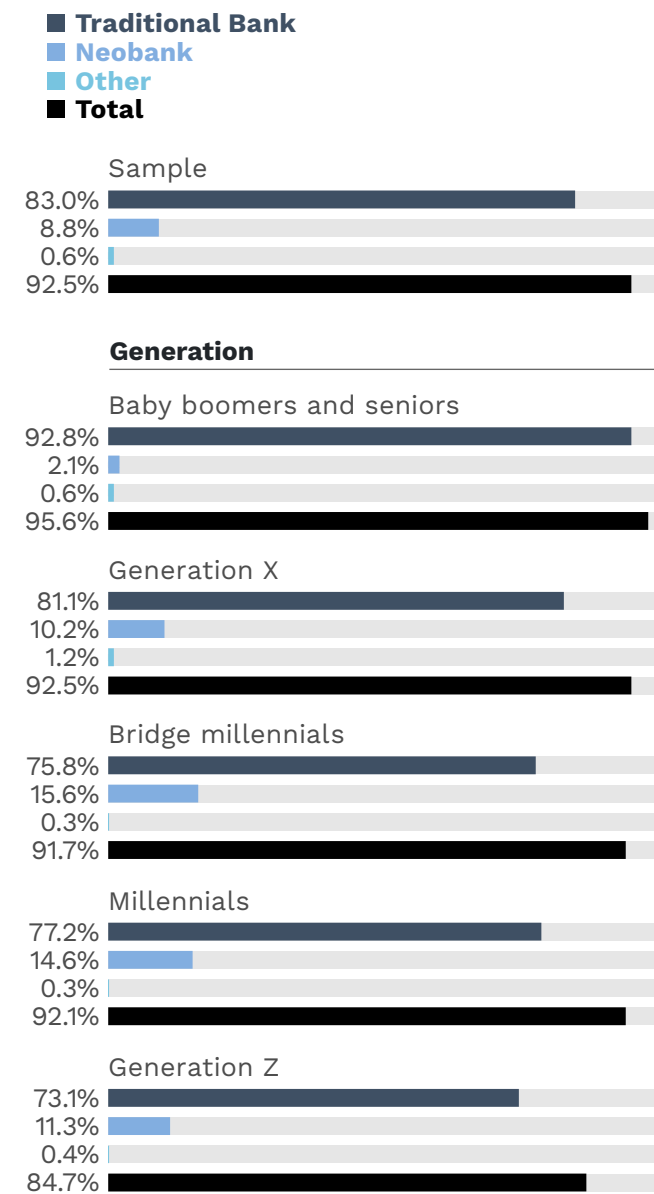


Source: PYMNTS
How Consumers Use Digital Banks, September 2022
N=1962: Respondents who own checking or savings accounts at financial institutions, fielded June 30, 2022 – July 7, 2022

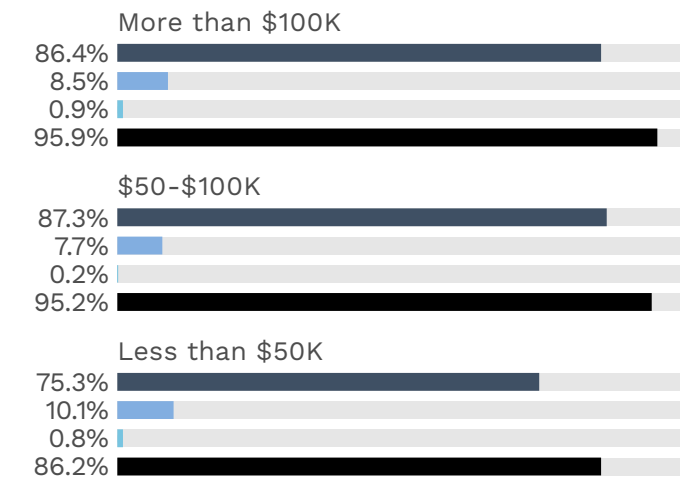
Figure 1C:

The transition to digital-only banking

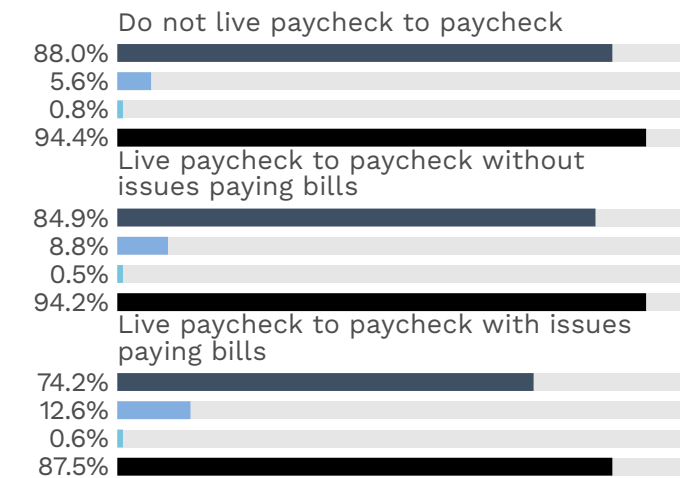
Share of consumers who have a checking or savings account, by type of institution



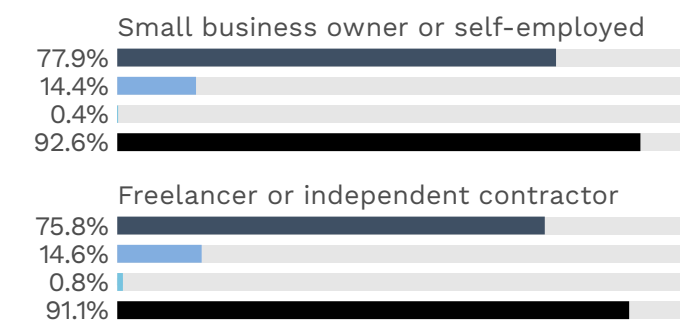
Income



Financial lifestyle



Work status



Source: PYMNTS
How Consumers Use Digital Banks, September 2022
N = 2,124: Complete responses, fielded June 30, 2022 – July 7, 2022

Getting consumers to make the switch

Although primary FinTech banking is still rare, 39% of consumers say digital banks can be true alternatives to traditional banks. Getting them to actually make that switch will probably prove to be a challenge: More than half of consumers who say they consider digital banks legitimate alternatives still have no plans to switch.

We find that 53% of respondents are not even considering making digital banks their primary banks, and 47% are hesitant about digital banks and want to learn more before making any decisions. Strong generational attitudes exist on this topic: 90% of baby boomers and 66% of Gen X will not consider using digital banks as their primary banks.

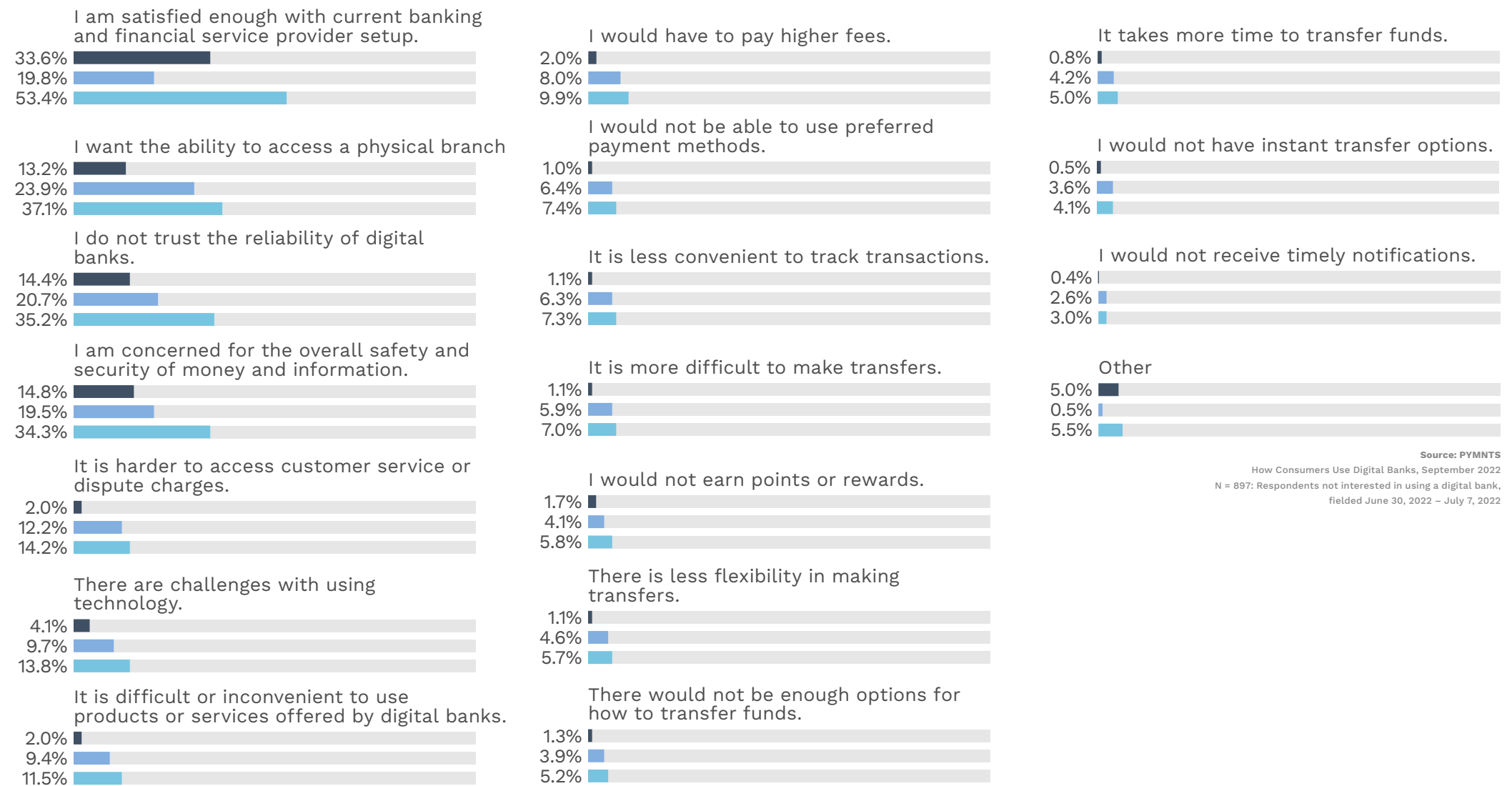
Another top reason to stick with the status quo is satisfaction with one's current bank, which 34% of consumers cited as their primary reason for their disinterest in digital-only alternatives.

Figure 2A:

Consumers not yet ready to go digital only

Share of consumers who identified selected reasons for not being interested in using a digital bank in the next year

■ Most important
 ■ Selected but not most important
 ■ Total



Source: PYMNTS
 How Consumers Use Digital Banks, September 2022
 N = 897: Respondents not interested in using a digital bank,
 fielded June 30, 2022 – July 7, 2022

Table 2:

Different banking personas and their FinTech banking readiness

Share of consumers who identified the most important reasons for not switching to a digital bank, by banking persona

	Unbanked	Mainstream bankers	Auxiliary FinTech bankers	Traditional bankers	Primary FinTech bankers
• I am satisfied enough with current banking and financial service provider setup.	16.5%	32.9%	36.7%	37.6%	17.9%
• I want the ability to access a physical branch	7.3%	15.6%	7.4%	13.0%	20.3%
• I do not trust the reliability of digital banks.	11.5%	13.6%	10.0%	17.7%	7.1%
• I am concerned for the overall safety and security of money and information.	12.5%	14.3%	15.4%	15.6%	14.6%
• It is harder to access customer service or dispute charges.	1.0%	1.7%	4.3%	1.6%	7.2%
• There are challenges with using technology.	3.4%	3.1%	4.2%	5.3%	7.1%
• It is difficult or inconvenient to use products or services offered by digital banks.	4.3%	2.5%	2.1%	1.1%	0.0%
• I would have to pay higher fees.	8.1%	1.5%	3.5%	0.7%	4.7%
• I would not be able to use preferred payment methods.	0.0%	1.5%	1.8%	0.3%	0.0%
• It is less convenient to track transactions.	3.0%	1.2%	0.0%	1.0%	0.0%
• It is more difficult to make transfers.	3.1%	0.8%	2.0%	0.9%	0.0%
• I would not earn points or rewards.	3.2%	1.1%	3.9%	1.2%	4.7%
• There is less flexibility in making transfers.	1.3%	1.8%	2.2%	0.0%	0.0%
• There would not be enough options for how to transfer funds.	6.1%	1.0%	2.2%	0.4%	0.0%
• It takes more time to transfer funds.	1.0%	0.9%	2.1%	0.4%	0.0%
• I would not have instant transfer options.	1.5%	0.6%	0.0%	0.3%	2.3%
• I would not receive timely notifications.	1.4%	0.4%	0.0%	0.0%	7.3%
• Other	14.7%	5.7%	2.0%	2.9%	7.1%

Source: PYMNTS
 How Consumers Use Digital Banks, September 2022
 N = 897: Respondents not interested in using a digital bank,
 fielded June 30, 2022 – July 7, 2022

Fifteen percent cited concern for the overall security of their money and information, 14% did not trust digital banks' reliability or longevity and 13% wanted to retain access to physical branches.

Some consumers are excited by the idea of switching to a digital-only bank. PYMNTS' research finds that most consumers in specific demographics — 56% of millennials, 54% of small business owners and 54% of freelancers — are at least somewhat interested in switching to a digital bank. Interestingly, 43% of the unbanked would consider enlisting digital banks for their primary accounts if they were to enlist the services of a bank, and 38% of all respondents are interested in switching to a digital bank for lower costs.

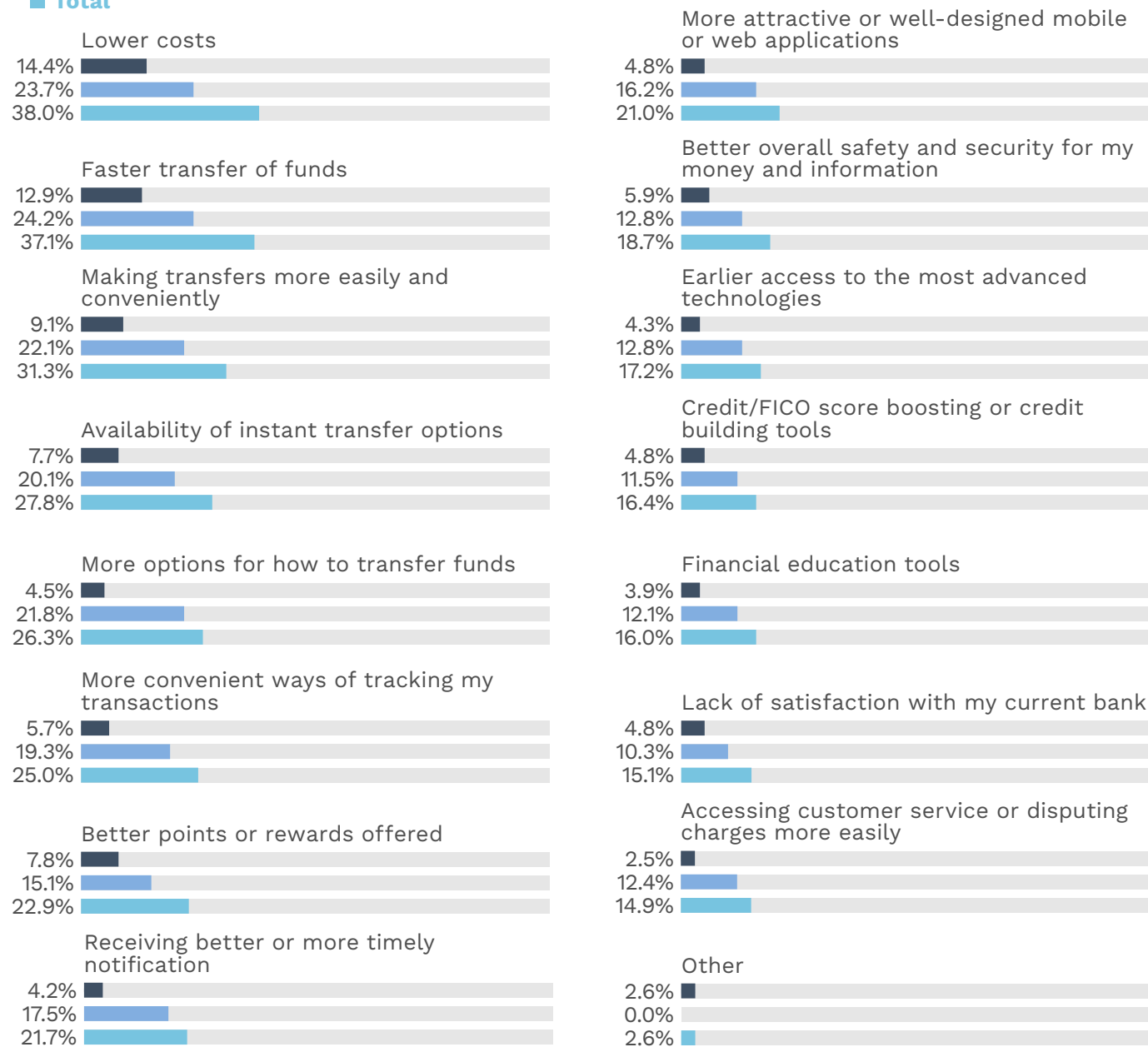
It is worth noting that 90% of consumers who primarily use digital banks are satisfied with their choice, exceeding the 84% of respondents using local or community banks as their primary FIs and the 81% of respondents using national banks who are satisfied. Once consumers make the digital-only switch, they are typically very satisfied with their decision.

Figure 3A:

Why consumers consider switching

Share of consumers who report select reasons for their interest in switching to a digital bank

- Most important
- Selected but not most important
- Total



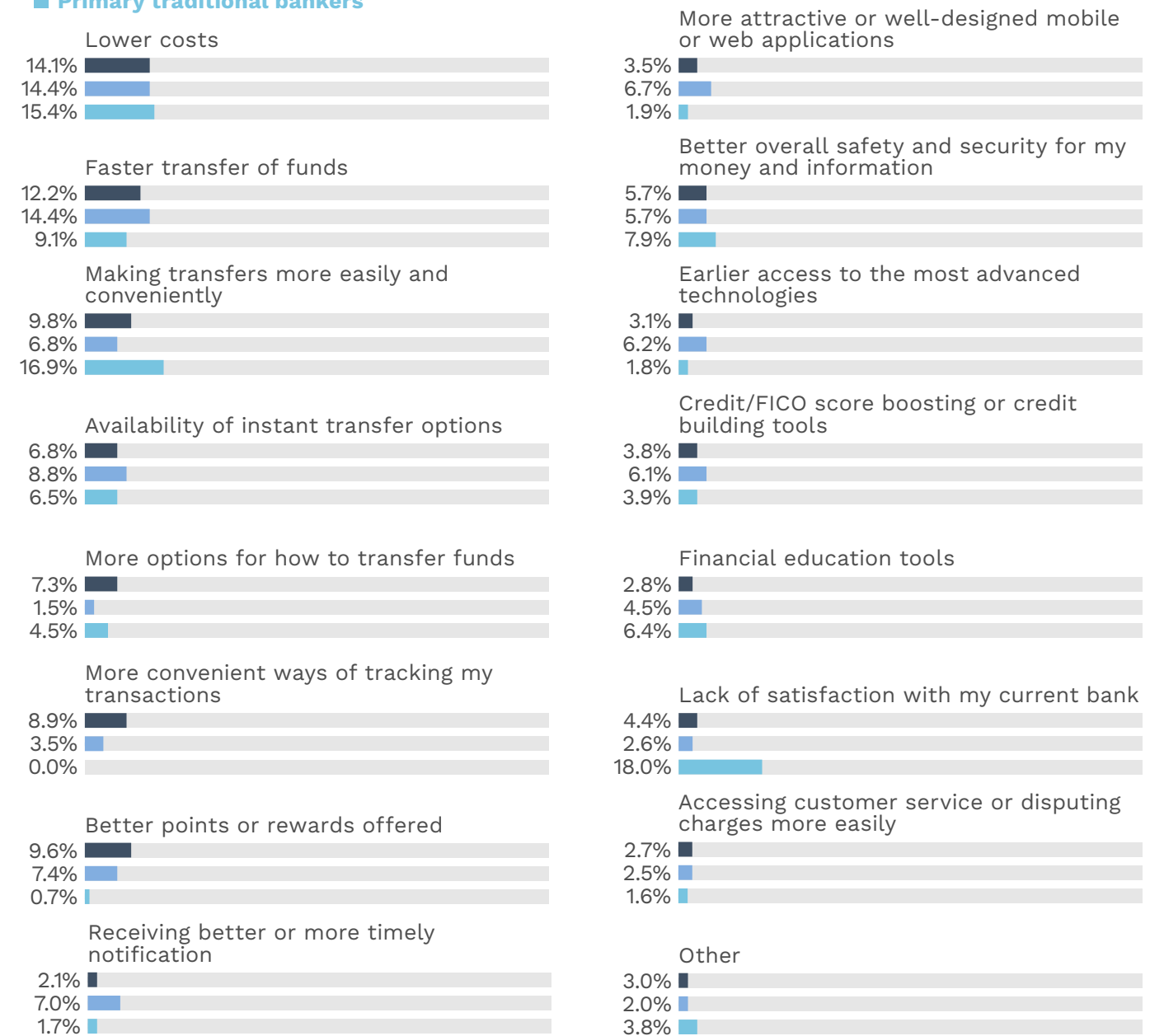
Source: PYMNTS
How Consumers Use Digital Banks, September 2022
N = 532: Respondents interested in switching to a digital bank,
fielded June 30, 2022 – July 7, 2022

Figure 3B:

Why consumers consider switching

Share of consumers who report select reasons for their interest in switching to a digital bank, by banking persona

- Mainstream bankers
- Auxiliary FinTech bankers
- Primary traditional bankers



Source: PYMNTS
How Consumers Use Digital Banks, September 2022
N = 532: Respondents interested in switching to a digital bank,
fielded June 30, 2022 – July 7, 2022

The growing adoption of FinTech banking

Younger consumers' wants and needs may be helping digital banks move toward the mainstream. Fifty-nine percent of consumers are at least somewhat interested in using a digital bank in the next year, primarily for easier money movement to third parties. In total, 36% of consumers are very or extremely interested in using a digital bank in the next year. Many said improved ease of transfers, lower costs and fewer fees were the greatest appeals.

Most millennials, at 57%, small business owners, at 59% and freelancers, at 59%, say they are very or extremely interested in using a digital bank in the next year.

Another predictor of potential FinTech banking is past experience. Of consumers who have used just PayPal or Venmo in the FinTech banking realm, 39% plan to use a digital bank in the next year. Additionally, 68% of consumers who have used at least one other digital bank plan to use another in the next year.

Improved transfers top the list of reasons consumers have digital-only banking interest, with 43% of consumers saying this was their greatest motivator. The next-most common motivator is lower costs, cited by 33% of respondents, with 11% saying it was the most important reason. Seventeen percent of consumers said their primary motivator was improved notifications, with 3% saying this was the most important reason for their interest.

Millennials, in particular, are interested in digital banks because they perceive these institutions as more secure and believe that digital banks provide earlier access to the newest technologies. Some of the perceived benefits include additional flexibility around sending money to others, mobile check deposits, cash advances and the opportunity to buy or trade cryptocurrencies.

Additionally, small business owners mentioned interest in digital banks for their low cost and ease of money transfers. Small business owners also indicate that they perceive digital banks as providing higher-quality and more timely notifications.



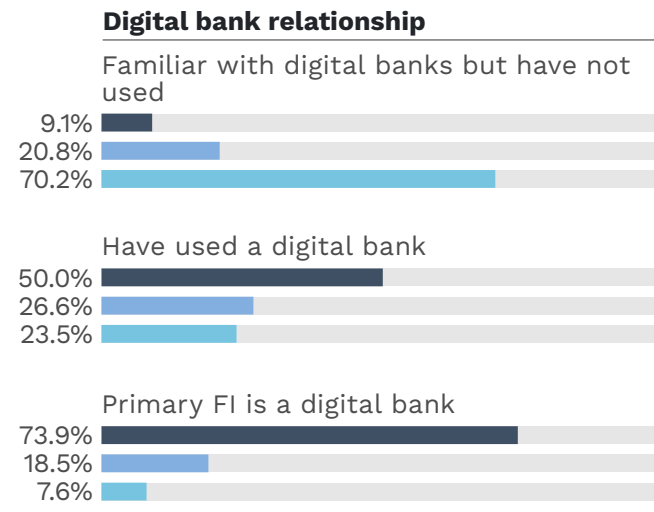
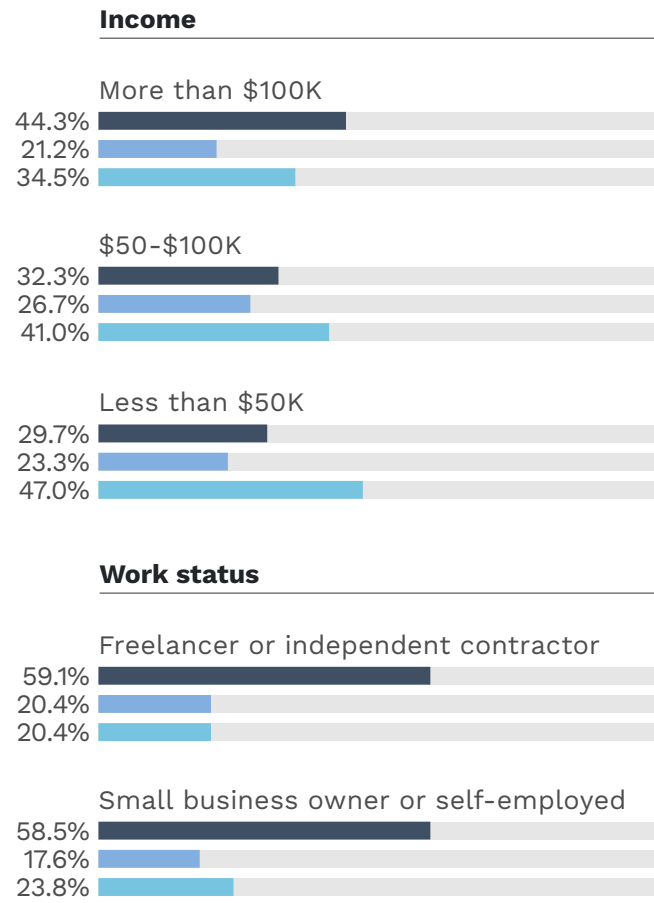
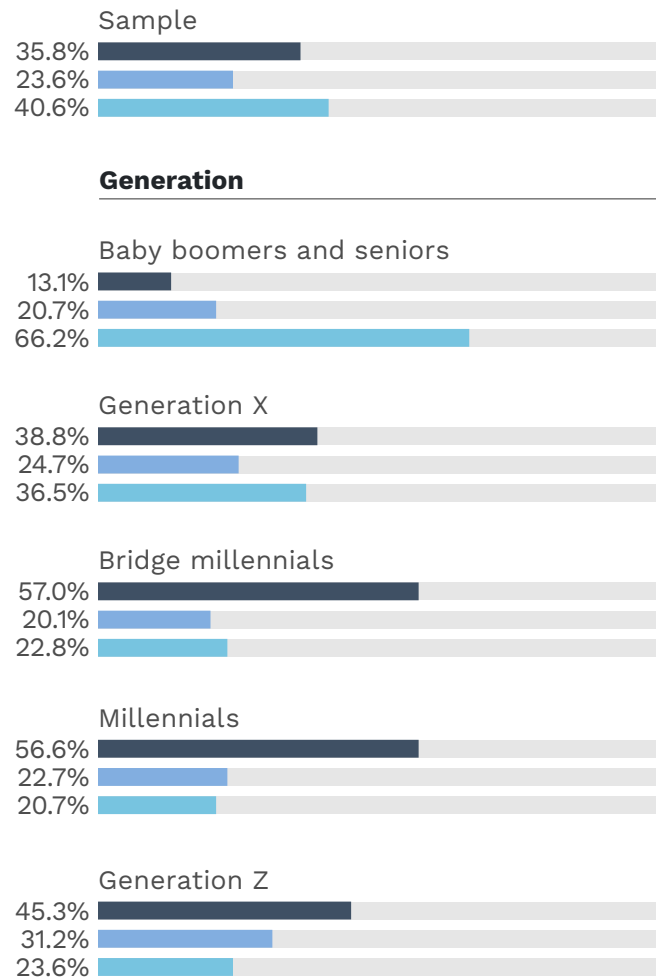
59%
Share of
freelancers who
say they are **very**
or extremely
interested in using
a digital bank

Figure 4:

Consumer interest in digital banks

Share of consumers interested in using a digital bank in the next 12 months

- Extremely or very interested
- Somewhat interested
- Slightly or not at all interested



Source: PYMNTS
How Consumers Use Digital Banks, September 2022
N = 2,124; Complete responses,
fielded June 30, 2022 – July 7, 2022

57%

Share of millennials and bridge millennials who are **very or extremely interested** in using a digital bank

Nontraditional banks for nontraditional customers

Millennials, freelancers, small business owners and consumers who live paycheck to paycheck with issues paying bills — major groups who do not exactly fit the classical mold of a traditional FI customer — are more likely to gravitate toward digital banks.

PYMNTS' research found that respondents who use digital banks as their primary FIs expect different services than respondents who primarily use traditional FIs. For example, we found that 30% of primary FinTech bankers expect to use cash advances, compared to 23% of consumers who primarily use traditional banks. We also found that 14% of consumers who primarily use digital

banks expect to be able to trade crypto through their primary banks, compared to 11% of consumers who bank with traditional FIs.

Features are not all that draw in consumers. PYMNTS' research found notable gulfs in different consumers' priorities. Consumers who prefer banking with neobanks or digital banks are more likely to value FIs that align with their occupations or values, at 16% versus 11% for those who bank with traditional FIs. This latter group was far more likely to care about traditional offerings such as mortgages: 45% of traditional bank customers value them — a share that drops to 19% among those who primarily use digital banks.



Figure 5A:

Consumers' banking expectations

Share of consumers who expect certain products or services from certain types of FIs

■ Traditional bank
■ Neobank

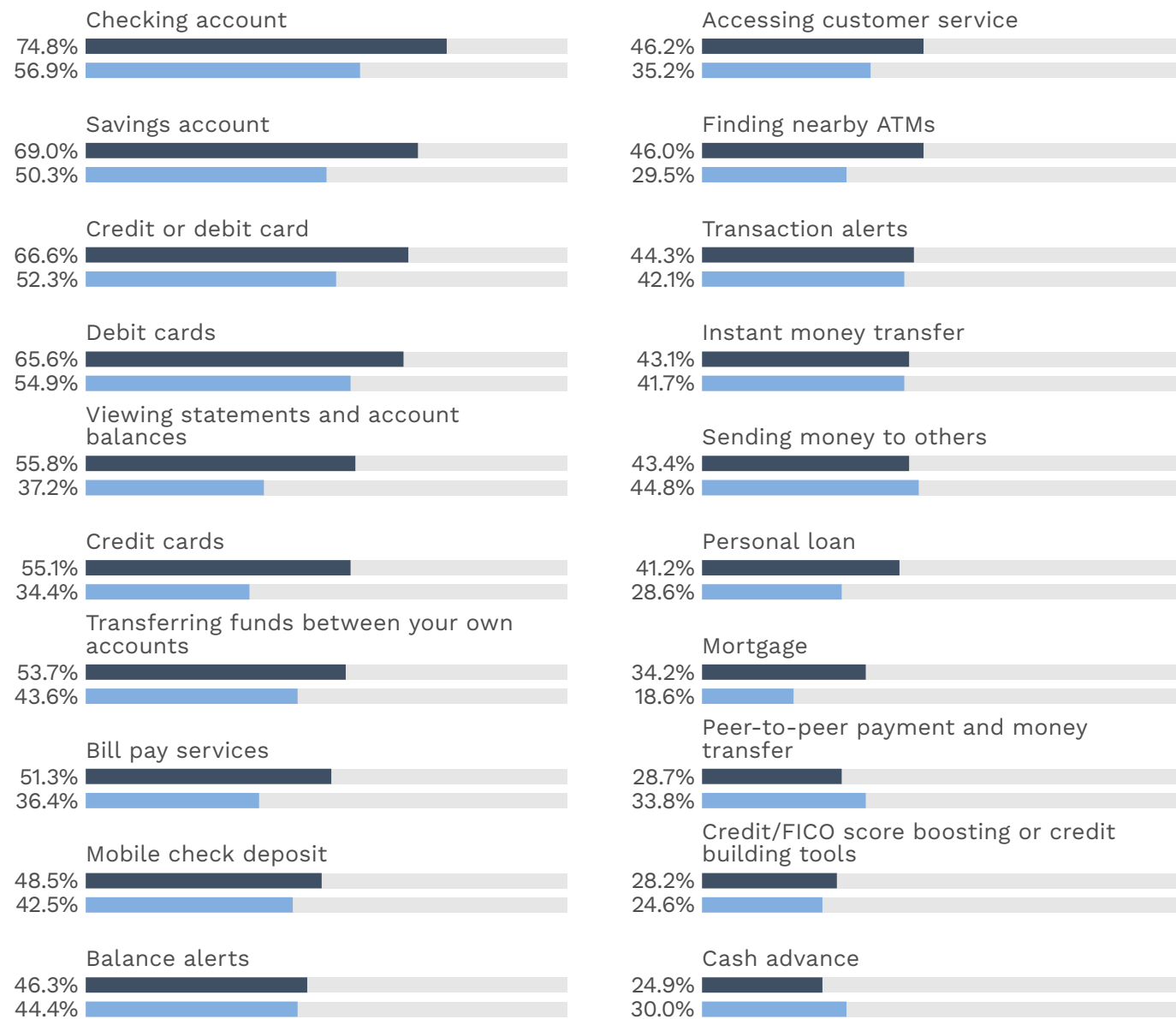
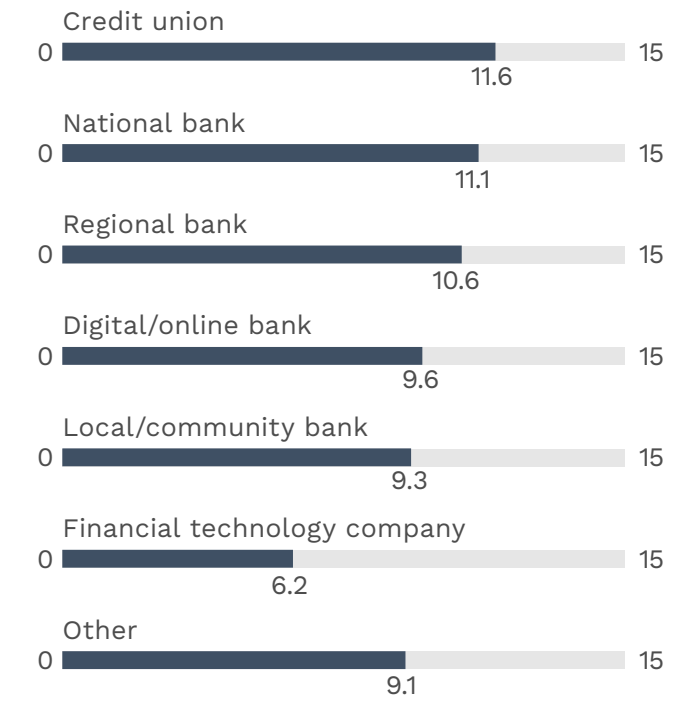


Figure 5B:

Consumers' banking expectations

Average number of products or services expected from a financial services provider, by FI type



Source: PYMNTS
How Consumers Use Digital Banks, September 2022
N = Varies based on type of FI,
fielded June 30, 2022 – July 7, 2022

Source: PYMNTS
How Consumers Use Digital Banks, September 2022
N = 1,766: Traditional bank users; N = 183: Neobank users,
fielded June 30, 2022 – July 7, 2022

Table 3:

Expected products, services and values

Share of consumers who expect each product, service or attribute, by banking persona

	Sample	Primary FinTech bankers	Traditional bankers	Auxiliary FinTech bankers	Mainstream bankers	Unbanked
• Checking account	69.4%	56.9%	86.9%	65.3%	73.6%	25.1%
• Savings account	64.2%	50.3%	81.9%	61.2%	66.8%	27.3%
• Credit or debit card	62.6%	52.3%	76.5%	60.2%	65.0%	30.3%
• Debit cards	62.6%	54.9%	77.2%	60.7%	62.0%	40.0%
• Viewing statements and account balances	51.6%	37.2%	68.0%	49.8%	52.9%	20.9%
• Credit cards	50.8%	34.4%	62.8%	50.1%	54.0%	22.0%
• Transferring funds between your own accounts	50.4%	43.6%	63.4%	49.5%	51.0%	22.8%
• Bill pay services	48.1%	36.4%	58.8%	46.5%	50.1%	25.6%
• Mobile check deposit	46.6%	42.5%	50.3%	51.4%	46.1%	30.0%
• Balance alerts	45.0%	44.4%	50.2%	44.5%	45.3%	30.5%
• Accessing customer service	43.1%	35.2%	56.0%	41.7%	43.8%	16.7%
• Finding nearby ATMs	42.6%	29.5%	53.3%	43.1%	43.5%	22.6%
• Transaction alerts	42.6%	42.1%	49.6%	44.0%	42.0%	23.6%
• Instant money transfer	42.3%	41.7%	40.2%	46.2%	43.0%	33.1%
• Sending money to others	42.2%	44.8%	41.8%	48.9%	41.2%	25.6%
• Personal loan	37.9%	28.6%	54.3%	33.4%	38.8%	12.4%
• Mortgage	31.2%	18.6%	45.4%	32.0%	29.7%	12.0%
• Peer-to-peer payment and money transfer	28.1%	33.8%	24.0%	37.2%	26.2%	16.4%
• Credit/FICO score boosting or credit building tools	26.8%	24.6%	29.1%	29.8%	26.8%	15.0%
• Cash advance	24.8%	30.0%	23.6%	26.8%	24.2%	19.8%
• Budgeting and tracking tools	23.9%	21.4%	24.5%	29.3%	23.1%	13.6%
• Budgeting and spending tracking tools	23.5%	23.6%	24.8%	27.2%	22.4%	15.0%
• Cardless ATM withdrawal	20.7%	22.1%	19.8%	28.5%	18.5%	10.3%
• Financial education tools	19.7%	19.5%	21.8%	23.9%	18.0%	11.7%
• Selling and buying cryptocurrencies	11.1%	14.1%	8.6%	14.8%	10.4%	8.4%
• Better alignment with occupation or values	11.0%	15.6%	7.4%	16.8%	9.5%	6.6%
• None of these	3.9%	2.7%	1.1%	2.4%	3.8%	16.8%
• Other	0.9%	0.0%	0.8%	0.7%	1.1%	1.9%

30%
Share of primary FinTech bankers who expect to use cash advances



The most popular institutions of the FinTech banking world

Consumers have options when selecting the right digital bank, but many gravitate toward the two digital-only banking service mainstays. Fifty percent of consumers have used PayPal in the past year, making it the most common FinTech banking services provider by far, and 24% used Venmo. Other options are far less popular: 8% have used Chime, 5% have used Ally and no other digital bank or FinTech exceeds 5% usage among our sample.

Of consumers who keep their primary bank accounts with digital banks, 39% have used Chime, 12% have used Varo, 11% have used Dave and SoFi money, and 10% have used Ally and Current. No other banks or FinTechs exceed 10% usage among primary FinTech bankers. Even among the most ardent digital bank users, PayPal, used by 64% of primary FinTech bankers, and Venmo, used by 31% of them, reign supreme.

The pattern is clear among nontraditional consumers as well. In the past year, 52% of millennials used PayPal, 16% used Venmo and 7.5% used Chime; no other digital banks exceeded 5% usage. Small business owners matched those figures closely: Approximately half used PayPal, 17% used Venmo and 6% used Chime in the same span, with no other banks exceeding 5% usage among small business owners.

As these established patterns generally repeat across different personas, it is clear that PayPal is the most popular FinTech banking tool. Although baby boomers and seniors are frequently outliers, 37% of them have used PayPal in the last year. Because the use of banking services tends to predict willingness to switch entirely to digital-only banking, we may see the number of switchers ascend to the type of ubiquity that PayPal and Venmo now have.

Table 4:

The most popular FinTech banking choices

Share of consumers using the top five sources of FinTech banking in the last year

	Paypal	Venmo	Chime	Ally	SoFi Money
• Most used	39.0%	12.1%	4.1%	2.2%	1.0%
• Used, but not the most used	10.8%	12.0%	4.3%	2.8%	2.3%
• Familiar, but have not used	26.5%	34.2%	36.5%	26.3%	17.5%
• Total	76.3%	58.3%	44.8%	31.3%	20.7%

Source: PYMNTS
How Consumers Use Digital Banks, September 2022
N = 1,874: Consumers who are familiar with digital banks, fielded June 30, 2022 – July 7, 2022

50%
Share of consumers who **have used PayPal** in the past year

Table 3:

The most popular FinTech banking choices

Share of consumers using banks other than the top five in the last year

	Most used	Used, but not the most used	Familiar, but have not used	Total
• Varo	0.9%	2.3%	9.9%	13.1%
• Dave	0.8%	2.7%	8.7%	12.1%
• Current	0.8%	1.9%	8.4%	11.1%
• GoBank	0.6%	2.1%	7.4%	10.1%
• Marcus by Goldman Sachs	0.4%	1.4%	8.2%	10.0%
• BankMobile	1.4%	1.7%	4.8%	7.8%
• MoneyLion	0.4%	1.8%	5.3%	7.6%
• Aspiration	0.1%	1.4%	5.9%	7.4%
• Oxygen	0.4%	1.4%	2.8%	4.6%
• Revolut	0.3%	1.2%	3.0%	4.4%
• NorthOne	0.2%	0.9%	3.2%	4.3%
• Digit	0.2%	0.9%	3.1%	4.2%
• Lili	0.3%	0.8%	3.0%	4.1%
• Step	0.0%	1.1%	1.5%	2.7%
• Azlo	0.1%	0.8%	1.7%	2.6%
• Be Money	0.2%	0.8%	1.3%	2.3%
• BankNovo	0.2%	0.7%	1.2%	2.1%
• Joust	0.1%	0.4%	1.2%	1.6%
• Unifimoney	0.1%	0.4%	1.1%	1.6%
• Other	1.0%	0.7%	0.2%	2.0%
• Familiar but have not used a digital bank in the last 12 months	—	—	—	22.0%
• Not familiar with any digital banks	—	—	—	11.1%

Source: PYMNTS

How Consumers Use Digital Banks, September 2022






N = 1,874: Consumers who are familiar with digital banks

N = 339: Small business owners who are familiar with digital banks and have used one, fielded June 30, 2022 – July 7, 2022

Table 4:

Consumers and their digital banks

Most used digital bank in the last year, by generation

	 Generation Z	 Millennials	 Bridge millennials	 Generation X	 Baby boomers and seniors
• Paypal	40.8%	51.5%	55.6%	63.4%	74.4%
• Venmo	28.8%	17.6%	15.6%	16.2%	13.9%
• Chime	6.9%	7.5%	6.5%	6.4%	3.0%
• Ally	2.8%	3.9%	4.2%	2.2%	4.2%
• BankMobile	3.3%	3.2%	2.5%	1.6%	0.0%
• Other	3.9%	1.3%	1.1%	0.7%	1.4%
• SoFi Money	4.4%	1.3%	1.9%	0.8%	0.6%
• Varo	0.3%	2.4%	2.6%	1.3%	0.6%
• Current	0.9%	2.6%	0.8%	0.7%	0.0%
• Dave	0.5%	1.7%	1.4%	1.1%	0.6%
• GoBank	1.2%	0.6%	1.2%	1.6%	0.3%
• Marcus by Goldman Sachs	0.0%	0.8%	1.4%	1.0%	0.5%
• MoneyLion	1.2%	1.0%	0.5%	0.5%	0.0%
• Oxygen	0.8%	1.0%	1.3%	0.2%	0.3%
• Revolut	0.7%	0.9%	1.3%	0.0%	0.0%
• Lili	0.9%	0.6%	0.4%	0.3%	0.0%
• NorthOne	0.5%	0.6%	0.0%	0.0%	0.3%
• BankNovo	0.0%	0.7%	0.3%	0.3%	0.0%
• Digit	0.0%	0.3%	0.0%	0.7%	0.0%
• Be Money	0.5%	0.0%	0.4%	0.7%	0.0%
• Aspiration	0.4%	0.0%	0.0%	0.3%	0.0%
• Unifimoney	0.4%	0.2%	0.3%	0.0%	0.0%
• Azlo	0.7%	0.0%	0.0%	0.0%	0.0%
• Joust	0.0%	0.2%	0.4%	0.0%	0.0%
• Step	0.0%	0.2%	0.3%	0.0%	0.0%

Source: PYMNTS

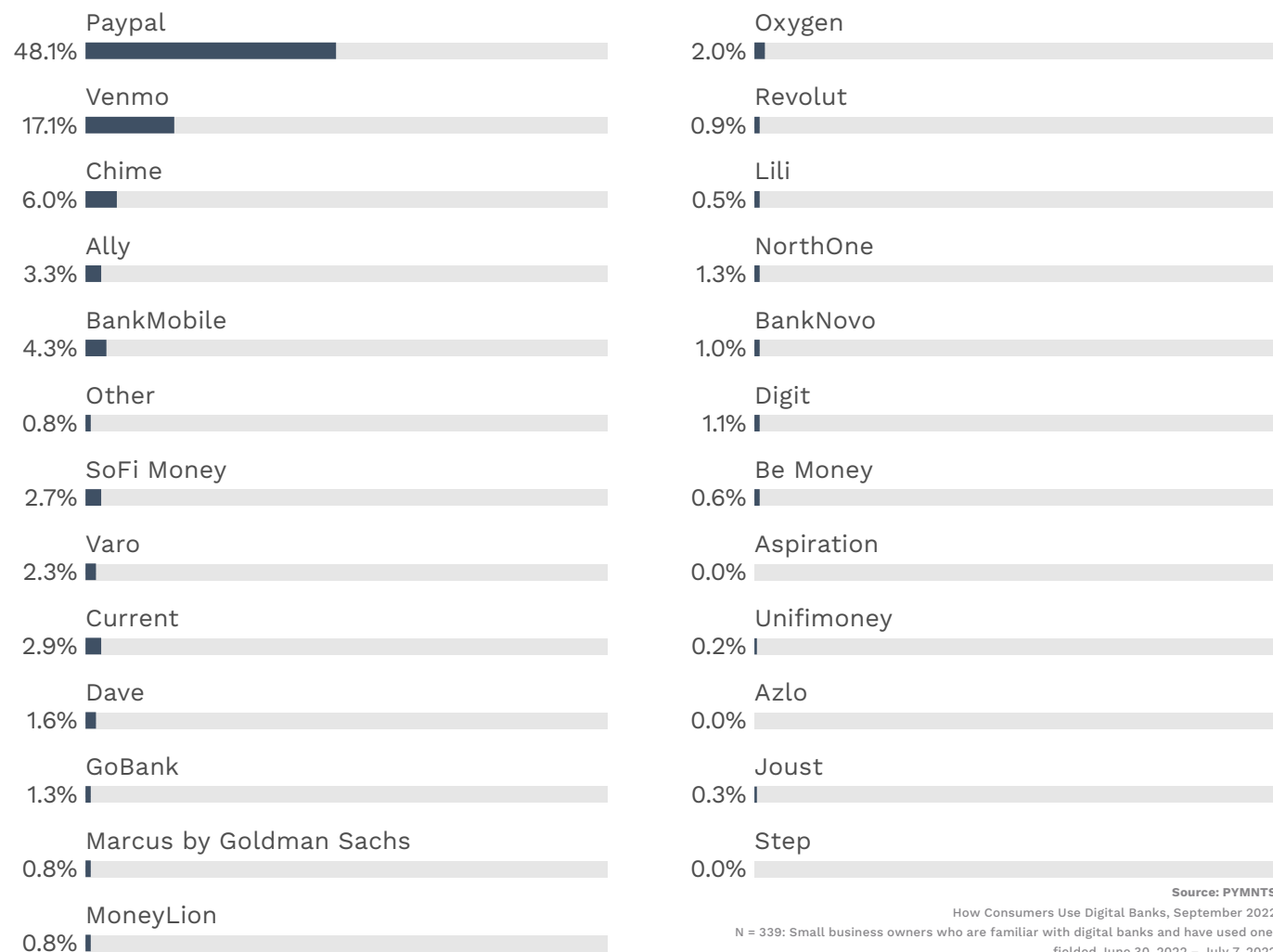
How Consumers Use Digital Banks, September 2022

N = 1,389: Respondents who are familiar with digital banks and have used one, fielded June 30, 2022 – July 7, 2022

Figure 6:

The most popular FinTech banking choices

Digital banks most used by small business owners or self-employed individuals in the last year



Source: PYMNTS
 How Consumers Use Digital Banks, September 2022
 N = 339: Small business owners who are familiar with digital banks and have used one,
 fielded June 30, 2022 – July 7, 2022

47%

Share of consumers who say they are **hesitant to switch to a digital bank**



Conclusion

Though using digital banks for primary banking is still in the early adopter stage, the data suggests that it may be poised to go mainstream. We found that the most common sources of hesitancy are satisfaction with current banks, the appeal of brick-and-mortar locations and uncertainty around digital banks and their security. That may help explain why the consumers most drawn to digital banks are those who benefit most from the advantages digital banks can offer, such as fewer fees, easier transfers and technology that facilitates improved notifications. This is especially true for nontraditional banking customers likely to be comfortable with risk — millennials, freelancers, the self-employed and high earners. To fully bring digital banks mainstream, these FIs will have to build on the familiarity that consumers already have with the two largest FinTech banking service providers and meet potential switchers' higher expectations.

Methodology

How Consumers Use Digital Banks, a PYMNTS and Treasury Prime collaboration, provides an in-depth view of the state of digital banks in 2022. We surveyed 2,124 consumers in the U.S. between June 30 and July 7 about their experiences. Our respondents' average age was 48, 52% were female and 36% earned more than \$100,000 annually.



About

PYMNTS

PYMNTS is where the best minds and the best content meet on the web to learn about “What’s Next” in payments and commerce. Our interactive platform is reinventing the way companies in payments share relevant information about the initiatives that make news and shape the future of this dynamic sector. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovations at the cutting edge of this new world.

^ TREASURY
△ PRIME

Treasury Prime is modernizing the API banking and technology systems to deliver new value to everyone: consumers, businesses, financial technology companies, and banks.

The Treasury Prime developer team has over 30 years of experience in the banking as a service industry. Our easy-to-use API provides the scale and security required for the most sensitive and demanding applications. Treasury Prime is fully integrated into core banking systems so developers can launch new offerings in days, not months or years. The Treasury Prime ecosystem connects banks with fintechs and ensures that each partnership is strategically aligned so that both businesses can grow together.

We are interested in your feedback on this report. If you have questions, comments or would like to subscribe to this report, please email us at feedback@pymnts.com.

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