



MONEYTHOR
Acquire. Activate. Engage.

Byte-sized banking: The app experience

2024 report



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Executive summary

Banking apps reign supreme when it comes to effective budgeting tools for customers, but user experience expectations and demand for proactive tools and insights are increasing.

This is the key finding of the Byte-Sized Banking: The App Experience 2024 report by Experian and Moneythor, that engaged 1,300 digital banking customers throughout Australia and New Zealand to get the lay of the land when it comes to their banking app experiences.

With increased cost of living pressures being front of mind for banking customers in Australia and New Zealand, it's becoming increasingly clear that the key to customer retention is having a bank app that fuses seamless customer experience with useful tools to help customers manage their personal finances.

While most younger customers feel positive about the services their bank offers, there's still room for improvement to better support banking app users, providing more value and strengthening their connection to the bank.



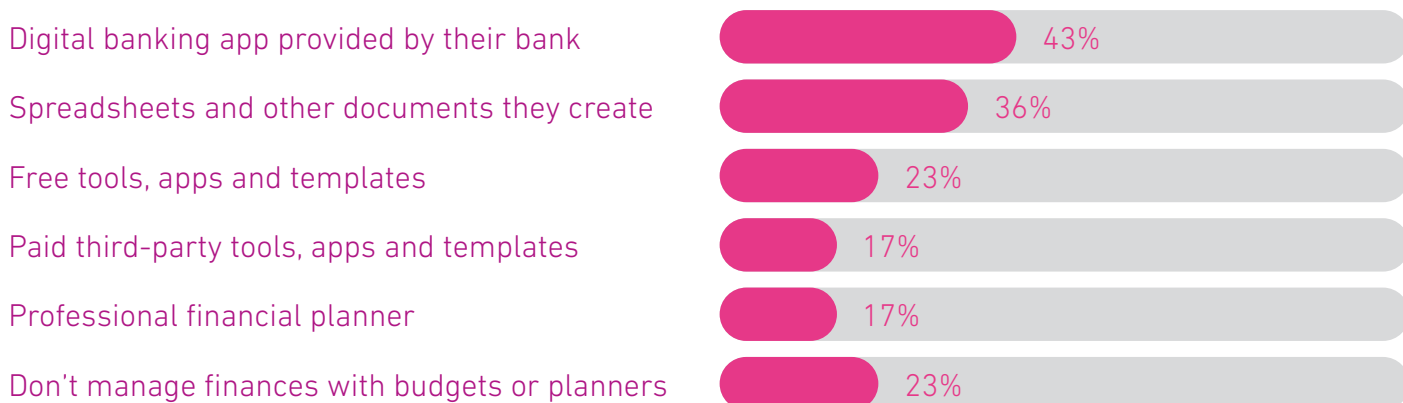
Customers rely on bank apps for budgeting

With the increased cost of living pressures weighing heavily on the shoulders of everyday Australians and New Zealanders, banking customers are tightening their belts and relying on banking apps more than ever.

More than half (57%) of digital banking customers report using their banking app between 3 and 10 times a week, with over a quarter (28%) logging into their app more than 10 times a week to check-in with their budgets, review their savings goals, transfer money or track their spending.

We identified that using a banking app to develop and manage a budget, as well as map out a savings plan, was the most popular method for money management.

How customers manage their budget and plan their savings

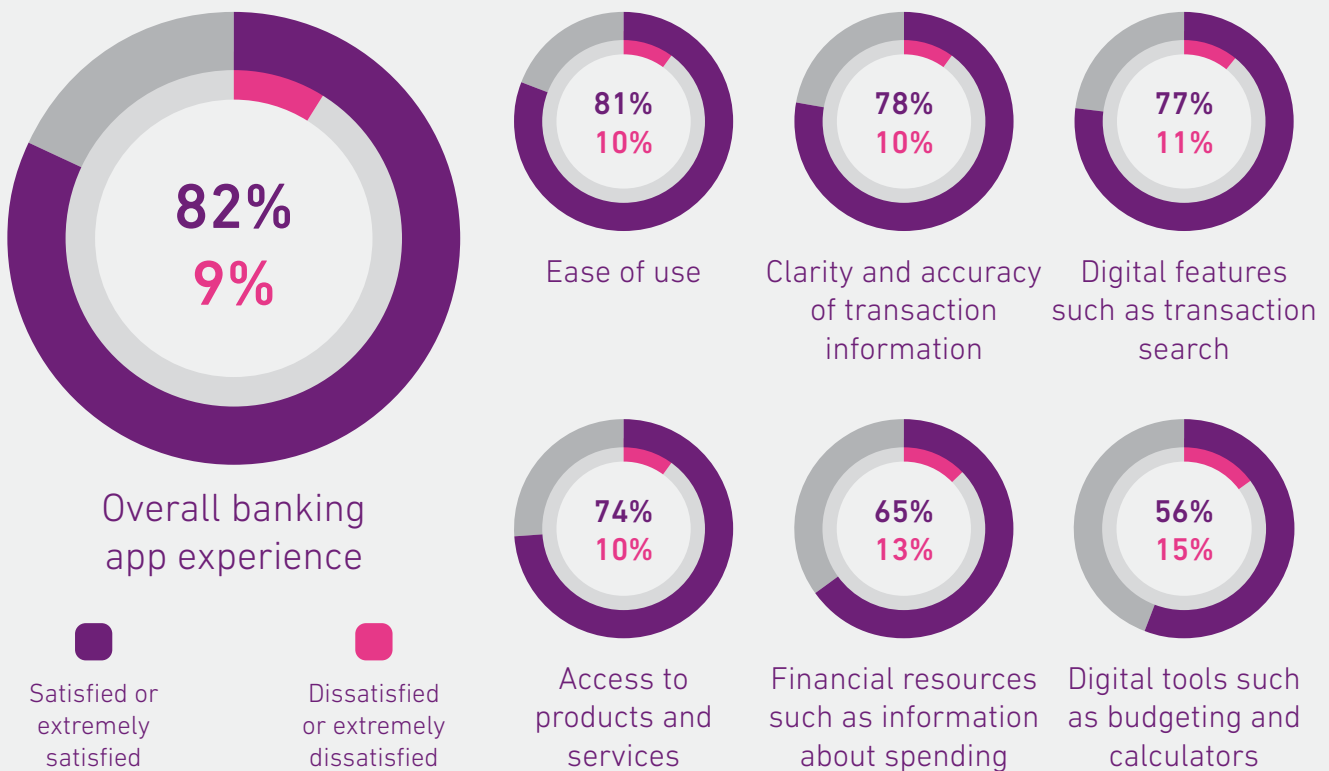




The study highlighted that banks are doing a decent job with their banking app, with the overall experience ratings very high with most satisfied or extremely satisfied overall (82%). Ease of use was the most consistent area of satisfaction (81%).

Interestingly the data revealed Australians have consistently higher levels of satisfaction with their banking apps and features compared to those in New Zealand.

Levels of customer satisfaction with their banking app



While overall this is a positive sign that banks are travelling in the right direction with their apps, the message is clear: customers *want* more.

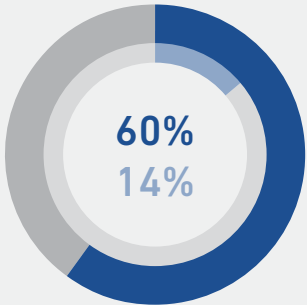
Unpacking the digital banking toolkit

When it comes to using banking apps, the consensus is that they're generally good to use and meet specific customer needs.

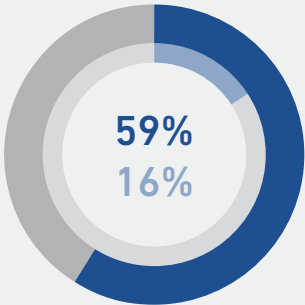
However, there is a clear need to transform the bank apps of today into a one-stop-financial-shop to give the customer more control over their money management, which aligns with the sentiment towards using a banking app as the primary tool for managing finances.



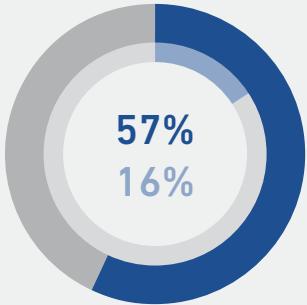
How customers feel about their banking app



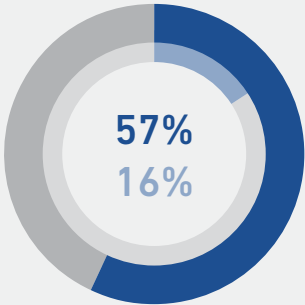
I am satisfied with the support and resources provided by my bank to help me better manage my financial situation



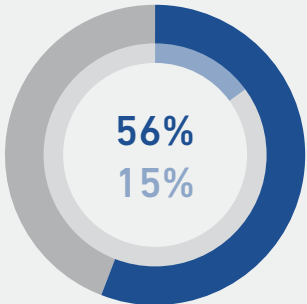
My bank provides sufficient resources and tools to help me make informed financial decisions



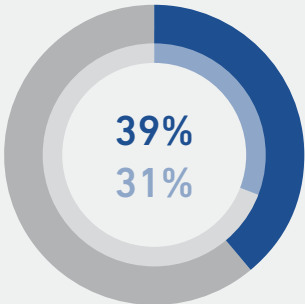
The digital banking app does a good job of helping me improve my financial situation



My bank's app tools for tracking and analysing spending habits are helpful



My bank is doing a good job of supporting my financial wellbeing



It's difficult to manage my current financial situation with the tools available within the banking app

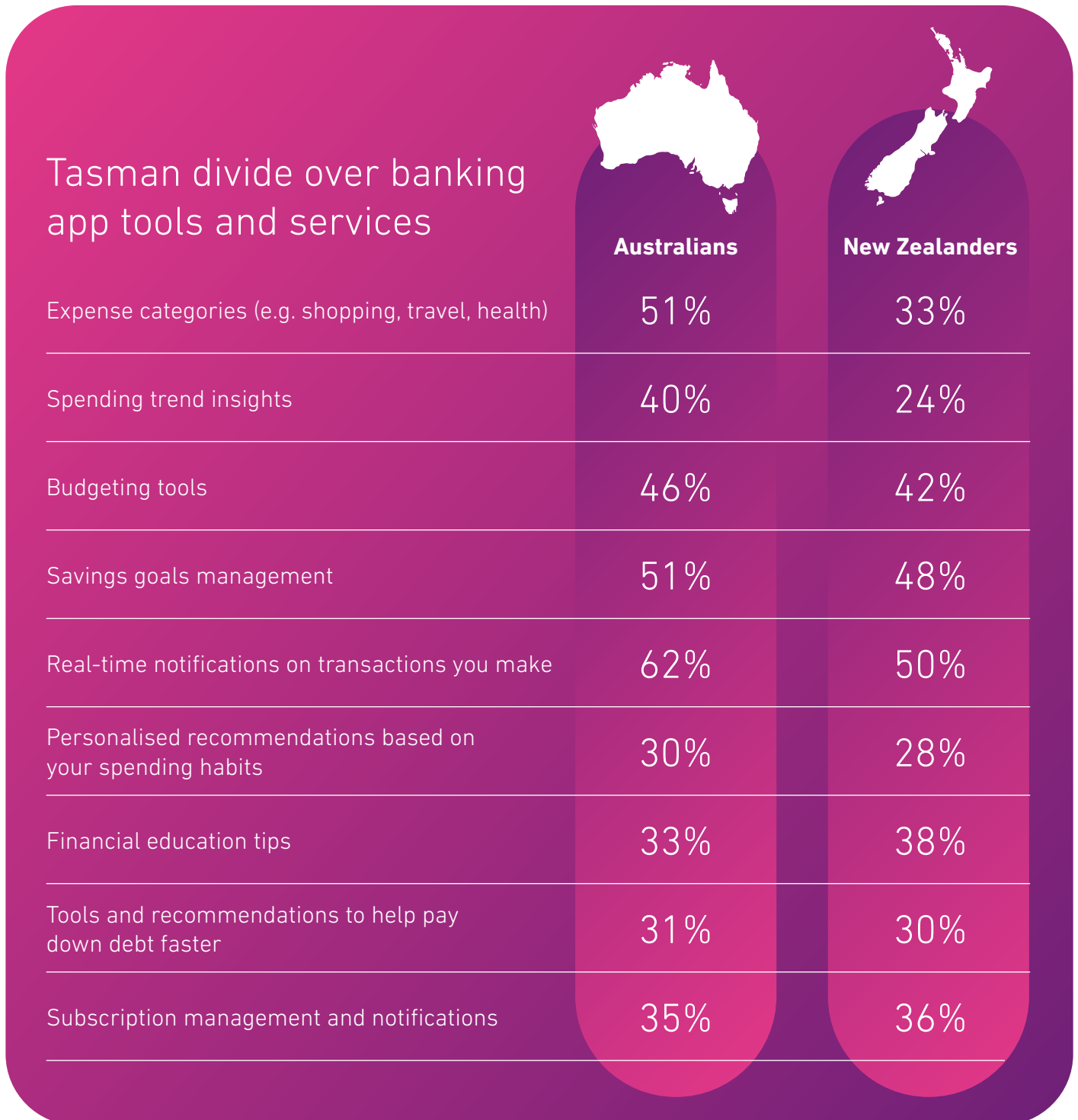


Satisfied or extremely satisfied



Dissatisfied or extremely dissatisfied

When it comes to banking app tools and features, the research revealed a clear divide across the Tasman, with Australian banks offering more spending insights, budgeting and expense categorisation, while New Zealand banks are stronger in financial education tips and subscription management.

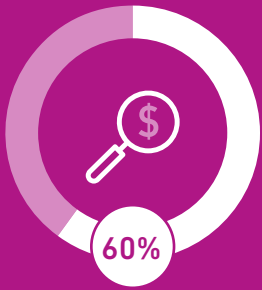


The study identified an opportunity for banks to add new, in-demand tools to their apps that will help their customers feel more confident with their money management and financial wellbeing.

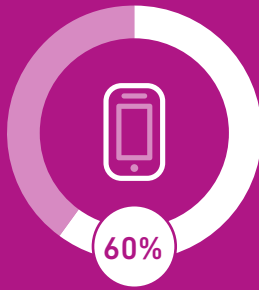
There are so many sources of financial information that at times it can be difficult for banking customers to know where to go. Many are turning to social media influencers for relatable, easy-to-digest financial advice from people that they trust. On the other end of the spectrum, the emergence of artificial intelligence technology is now increasing user expectations of receiving intelligent, personalised responses based on vast quantities of data and information within seconds – a lens that’s extending across all their digital touchpoints.

Banks have the opportunity to capitalise on this by adding tools that provide quick, convenient, and tailored advice that users can understand and action.

Features customers want in their banking app



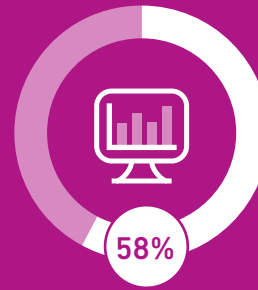
Would like to receive budgeting suggestions



Wish transactions were categorised in their banking app to make it easier to manage spending



Features and insights to help manage financial wellbeing



More information about spending trends



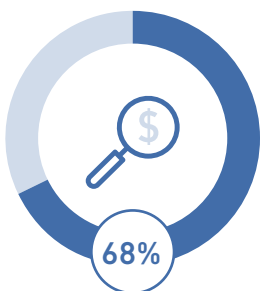
Would like personalised recommendations based on spending habits and financial goals within the app

So, who's asking for these banking app add-ons?

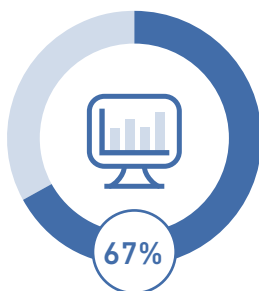
It should come as no surprise that 25–34-year-olds reported using their banking app the most, with 65% of this demographic using the app more than 6 times a week. This reflects how the increased cost of living pressures are indirectly influencing younger Millennials to take action and budget, which is something that 86% of the cohort do – a contrast to almost half the over 54-year-olds who reported they don't budget (49%).

As 25–34-year-olds are the ones who use their banking apps the most, they were also the ones who were the most vocal about the tools and resources they want to see in the apps.

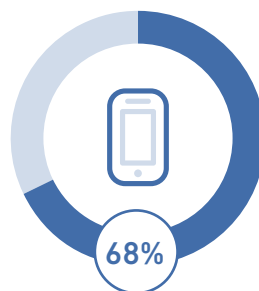
Advocates for certain banking app features



of 25–44-year-olds would like to receive budgeting suggestions



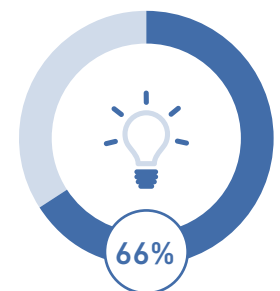
of 25–34-year-olds want more information about spending trends



of 25–34-year-olds wish transactions were categorised in their banking app to make it easier to manage spending



of 25–34-year-olds would like personalised recommendations based on spending habits and financial goals within the app

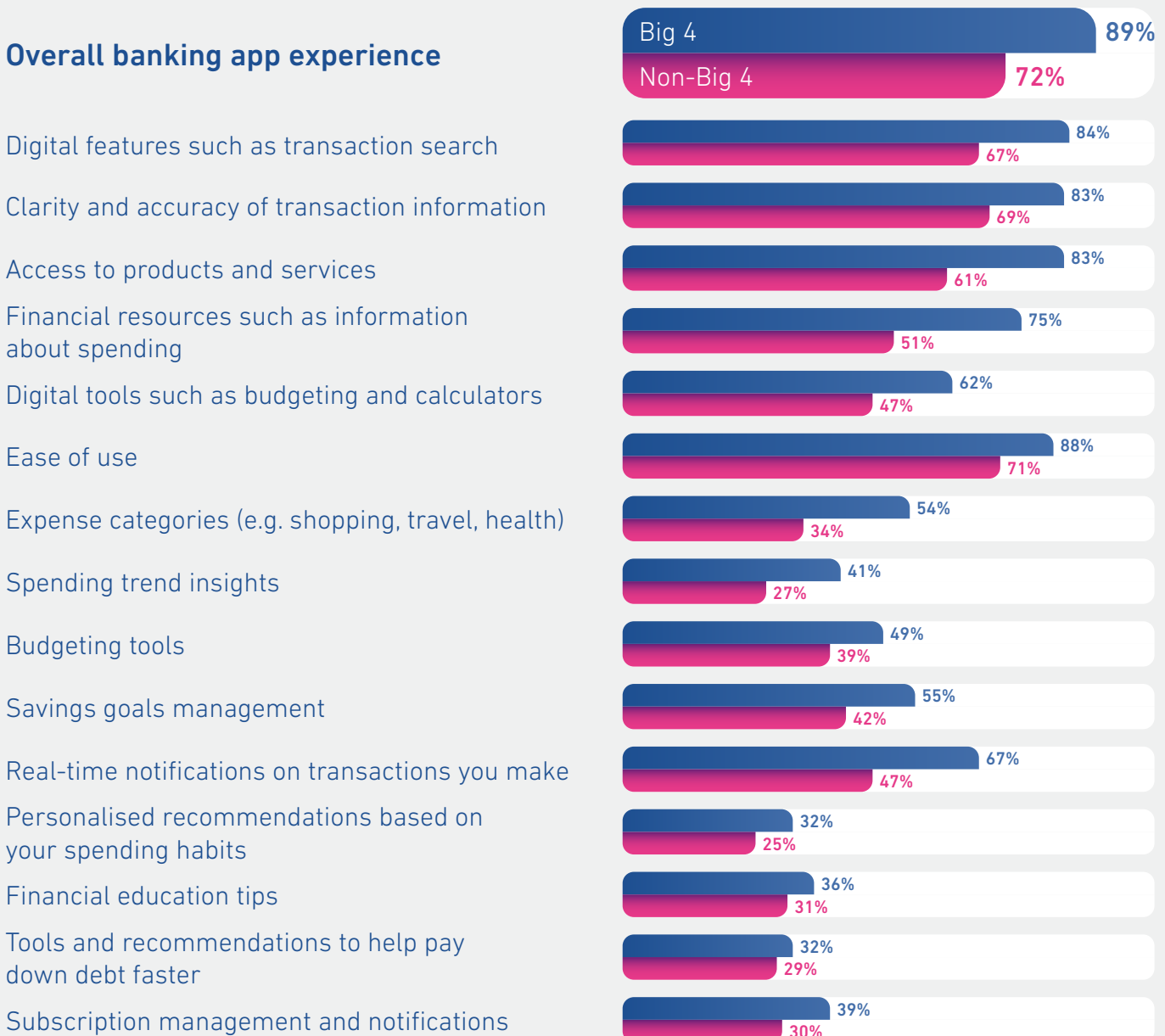


of 25–44-year-olds want more features and insights to help manage financial wellbeing

Breaching the digital banking divide

While no two banks are the same and there tends to be similarities in app features across the board, there's a clear divide when it comes to the quality of these tools and the satisfaction of using them. Unsurprisingly, the Big 4 banks of Australia come out on top in this regard. Meanwhile, medium-to-small bank apps perform well, but not well enough to keep pace with their competition, indicating a clear need to invest in upgrading their systems and technologies.

Levels of customer satisfaction with the tools in banking app

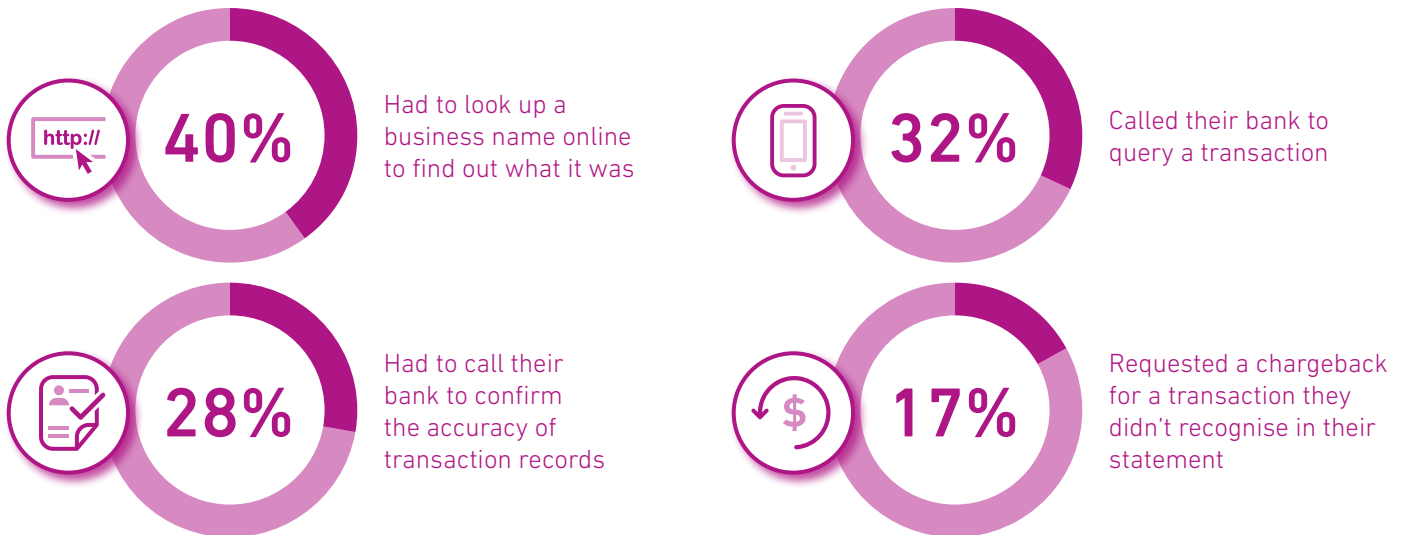


There is an area of improvement for all banks, not matter their size: transaction information. While 71% of banking customers find it easy to understand and interpret their transaction history and statements, many still encounter challenges when navigating their transaction history. In fact, more than one in five (22%) banking app users said they want more information about the merchants they bought from – such as location, time of purchase, and the business name. While a similar portion (19%) said they find transaction history confusing and that statements could provide more detailed information.

The deceptively simple solution here is transaction enrichment. This is essentially adding further context and information to transaction data to make transactions more recognisable, such as the merchant's name, logo, location and category it falls under.

This is an important element of improving a bank app, as almost 3 in 4 (73%) customers experience issues recognising transactions in their bank's app.

Issues recognising transactions in banking apps



As the more tech-savvy and app-using demographic, 25-34-year-olds were the most likely to check their transactions and follow up on anything that looked unusual, such as searching for a merchant's business name (41%), calling their bank to confirm the accuracy of transaction records (36%) and requesting a chargeback (20%).

Apps and digital tools key to customer retention



As interest rate rises in recent years have triggered a wave of refinancing and bank switching among homeowners, it remains a competitive environment for banks. The result has put significant pressure on banks to compete on all fronts including price, performance and experience.

The report found having a quality banking app with a good user experience is integral to retention success and is a significant factor for 3 in 4 (74%) banking app users when they're deciding to stay or switch.

Younger generations are more likely to switch banks for better app experience and to access tools to help them manage and stay on top of their finances, with 80% of 25-44-year-olds sharing that app experience was a significant consideration for staying with a bank, and with 79% of 45-54-year-olds and 77% of 18-24-year-olds agreeing, it's clear that many bank customers believe in the importance of having a quality banking app.

Expectations around proactive financial support

Long gone are the days of simply having your transactions tracked and categorised. Nowadays, it's expected that banks provide personalised and sophisticated budgeting, savings and debt reduction recommendations based on their transaction and savings data.

Our research showed that 86% of customers expect their bank to track their spending. While the majority of bank app users (60%) expect their bank only to alert them when there's an unusual transaction or fraud risk, there's also the expectation that a bank will go further to share insights to help them budget and manage their finances (49%).

App-solutely key

As the rapid pace of technological innovation continues, this research underscores the importance of banking apps for customers in Australia and New Zealand. As cost-of-living pressures intensify, the reliance on banking apps for effective budgeting and financial management has never been greater.

While current satisfaction levels with banking apps are high, there is a clear demand for enhanced features and proactive tools. Banks can seize the opportunity to transform their apps into comprehensive financial hubs that offer personalised advice, enriched transaction data and sophisticated financial management tools.

By doing so, they can not only meet the rising expectations of their customers but also strengthen customer loyalty in an increasingly competitive market. The future of banking lies in providing seamless, intuitive and insightful digital experiences that empower customers to take control of their financial wellbeing.



Methodology

Byte-sized banking: The app experience

Experian and Moneythor commissioned an online survey of 1,300 digital banking customers in Australia (934) and New Zealand (366).

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About Moneythor

Moneythor is a software company founded in 2013 to provide banks and fintech firms with a modern toolkit to enhance their digital banking services, with a prime focus on the generation of data-driven personalised and contextual recommendations, insights and nudges for their customers across money management / PFM and loyalty use cases.

Since inception, Moneythor has set a mission for itself to make digital financial services more relevant, more personal and to wipe out the myth that you cannot get great financial insights when you visit your financial institution online.

Moneythor is headquartered in Singapore and also present in Sydney, Dubai, Paris and Tokyo. Our solution is currently used by financial institutions in multiple countries such as Australia, Canada, France, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Saudi Arabia, Singapore, South Africa and the UAE.

moneythor.com



About Experian

Experian is a global data and technology company, powering opportunities for people and businesses around the world. We help to redefine lending practices, uncover and prevent fraud, simplify healthcare, deliver digital marketing solutions, and gain deeper insights into the automotive market, all using our unique combination of data, analytics and software. We also assist millions of people to realise their financial goals and help them to save time and money.

We operate across a range of markets, from financial services to healthcare, automotive, agribusiness, insurance, and many more industry segments.

We invest in talented people and new advanced technologies to unlock the power of data and innovate. As a FTSE 100 Index company listed on the London Stock Exchange (EXPN), we have a team of 22,500 people across 32 countries. Our corporate headquarters are in Dublin, Ireland. Learn more at experianplc.com.

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