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Mobile Phones Replace Checkbooks, Fingerprints Trump Passwords, Says Fiserv Research

Expectations & Experiences, the Fiserv quarterly consumer trends survey, reveals habits and preferences for payments, including a “thumbs up” for fingerprint authentication

BROOKFIELD, Wis.--(BUSINESS WIRE)-- [Fiserv, Inc.](http://www.fiserv.com) (NASDAQ: FISV), a leading global provider of financial services technology solutions, has released the results of Expectations & Experiences, its quarterly consumer trends survey. The study identified notable shifts in the way people pay, driven in large part by mobile technology, and highlighted consumer expectations for secure, real-time transactions.

The survey of more than 3,000 U.S. banking consumers was conducted by Harris Poll on behalf of Fiserv. A paper summarizing findings in Expectations & Experiences: Consumer Payments is available at <http://fisv.co/payments-expectations>.

The rise of robust mobile technology is driving change in the payments landscape. As mobile banking has matured it has shifted from being a channel used to access information - such as viewing balances or statements - to a transactional channel. Among the 40 percent of consumers who used mobile banking within the 30 days prior to the survey - including 77 percent of early millennials - 51 percent reported that they use the service more now compared to the prior year. Among users of mobile bill pay, 47 percent said they use the service more now than a year ago. Among early millennials who use mobile banking or bill pay, changes in usage were more pronounced. Sixty-nine percent said they are using mobile banking more, and 59 percent said they are using mobile bill payment more compared to the prior year.

“Gone are the days when paying the bills meant sitting at the kitchen table with a calculator once a month,” said Mark Ernst, chief operating officer, Fiserv. “Consumers now pay on demand, wherever and whenever it suits them. As people make more payments from mobile banking, and become more comfortable doing so, this could be a bellwether for increases in other types of mobile payment activity, such as payments at the point of sale.”

Among mobile banking users, 47 percent reported using the service to pay for a product or service in the past month, 45 percent indicated they had transferred money between accounts at the same financial organization, and 37 percent had deposited a check. More mobile transactions contributed to mobile banking being the most heavily used banking channel, with the average user accessing mobile banking 8.4 times within a 30-day period. Online banking was the next most heavily used channel with the average user accessing online banking 8.1 times within a 30-day period.

Fingerprints Trump Passwords: Biometric Security Shows Promise

The perception of security plays a key role in whether consumers choose to adopt a technology. Biometric security appears to have the potential to provide people with greater assurance than more conventional measures. While 41 percent of consumers indicated they would feel secure using a password as an authentication method to confirm their identity when using a mobile app, 62 percent said they would feel secure using fingerprint technology. This could have significant implications for overcoming consumer security concerns related to mobile payment methods.

Furthering Payments Adoption and Use Requires Awareness and Capabilities

Awareness continues to be a primary challenge in the adoption and use of electronic payments. For example, a striking 41 percent of consumers did not know if their financial institution offers person-to-person (P2P) payment options. In addition, consumers noted that they don't use the following services because they don't know how they work: P2P (24 percent), mobile banking (20 percent), electronic bills (e-bills) (15 percent) and electronic bill pay (14 percent).

"In a world that's moving faster than ever before, consumers are seeking payment services that are in step with the way they live and work," said Ernst. "Financial institutions have an enormous opportunity to educate consumers, informing them of the diversity of products available, as well as their functionality."

In addition to awareness and education, certain capabilities have significant potential to drive adoption and use of payment services. The most notable of these is real-time transactions. The desire for real-time transactions is apparent across all consumer segments, with consumers seeking same-day posting, real-time balances and instant alerts. Forty percent of early millennials who do not use P2P payment services say the ability to transfer funds to people in real-time would increase their use of these services.

In a world that is moving faster than ever before, Fiserv helps clients deliver solutions that are in step with the way people live and work today - financial services at the speed of life. Learn more at TheSpeedofLife.com.

Additional Resources:

Expectations & Experiences: Consumer Payments survey - <http://fisv.co/payments-expectations>

Expectations & Experiences: Household Finances survey - <http://fisv.co/expectations>

Methodology

Nothing moves faster than consumer expectations. To better understand the changing financial landscape and consumers' evolving financial needs, Fiserv is now releasing its consumer trends research quarterly.

Formerly the Fiserv Consumer Trends Survey, Expectations & Experiences builds on 15 years of survey data sponsored by Fiserv to understand consumer needs and help clients drive customer satisfaction, loyalty and profitability. The survey was conducted online within the United States between November 4 and 19, 2015, by Harris Poll on behalf of Fiserv, Inc. The survey was conducted among 3,048 U.S. adults ages 18 and older who are part of a

household that currently has a checking account with a bank, credit union, brokerage firm or other financial organization, and who have at least some level of involvement in managing their household finances.

The data were weighted to ensure that relevant demographic characteristics of the sample matched those of the U.S. general population. Early millennials are defined as ages 18 to 24 and late millennials are defined as ages 25 to 35.

About Fiserv

Fiserv, Inc. (NASDAQ:FISV) enables clients to achieve best-in-class results by driving quality and innovation in payments, processing services, risk and compliance, customer and channel management, and business insights and optimization. For more than 30 years, Fiserv has been a global leader in financial services technology. Fiserv is a FORTUNE 500 company and in 2016 was honored to be named a FORTUNE magazine's World's Most Admired Company for the third consecutive year. In 2015 the company was recognized among Forbes magazine's America's Best Employers. For more information, visit Fiserv.com.

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