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Personal Financial Management Tool Usage Trails Consumer Interest, Fiserv Research Shows

Current usage higher when PFM tools are part of a financial institution's online banking service

BROOKFIELD, Wis.--(BUSINESS WIRE)-- [Fiserv, Inc.](#) (NASDAQ: FISV), the leading global provider of financial services technology solutions, today unveiled research that shows consumers are very interested in personal financial management (PFM) tools, which enable them to track and analyze their spending and create budgets. However, while interest in PFM is high, actual usage remains quite low, indicating potential for growth. In addition, the survey revealed that the subset of consumers who do use PFM typically access those tools through their financial institution, where they can conduct secure transactions within the same site.

Overall, the survey findings highlight the strong opportunity for financial institutions to provide categorization and budgeting tools to consumers within the online banking service itself, as the consumer benefits outweigh those at third-party sites. In addition to enabling the functionalities consumers ranked as beneficial, including the abilities to budget, categorize and chart spending and categorize transactions, many financial institution PFM tools provide the ability to schedule or make payments and analyze future spending.

Online Banking Sites Generate Highest Use of PFM Services

Nearly 40 percent of the consumers surveyed indicated that PFM tools would be beneficial to managing their finances, yet only 15 percent of consumers had used a PFM service in the past 90 days. Of the subset of respondents who had used a PFM service in the past 90 days, an overwhelming majority said they did so from online banking sites (68 percent), more than double the percentage that reported using the top named traditional personal financial management software.

In addition, despite 'buzz' regarding third-party online personal financial management sites among Web-savvy consumers, use of PFM services at online banking sites was more than twice as high as the top ranked third-party personal financial management Web site. This indicates consumers' preference for, and trust in, online banking sites from their financial institution, which provide secure access to detailed financial information and the ability to complete financial transactions in one integrated user experience.

Hesitancy Regarding Third Party Sites Could Outweigh Value of Aggregation

Overall, only five percent of the consumers surveyed had used a PFM service to track multiple accounts through a process known as account aggregation. Account aggregation is often used to consolidate information from multiple financial accounts at one site, and generally requires additional account creation and sign-on with information housed by a third-party other than the consumer's financial institution. According to the study, lower adoption of these aggregation-based services may be due to security concerns, with consumers reporting they were leery about the reliability and security of the aggregation process.

Of the PFM service users who said they used account aggregation to track accounts from multiple financial institutions, 48 percent said they have had trouble accessing some of their account information. While there is interest in tracking multiple accounts in one location, the survey found that 44 percent of these same PFM service users would not have been comfortable if they had known that their IDs and passwords were stored by a third party. This percentage nearly doubled among non-users, with 87 percent expressing at least some concern about the storage of their information.

"Several nonbank web sites are now providing aggregation of financial information directly to consumers. However, these sites lack the presence of adequate fraud prevention capabilities to protect consumers and banks from account takeover and identity theft," said George Tubin, senior research director, delivery channels, at TowerGroup. "Financial institutions are in a unique position to provide the combination of online personal financial management tools with the financial institution's transaction, product and security capabilities to deliver a compelling combination unmatched in the industry."

"Banks and credit unions have a unique and immediate opportunity to grow the market and increase utilization of their sites by delivering on consumer demand for personal financial management tools," said Geoff Knapp, vice president, Online Banking and Consumer Insights, Fiserv. "To maximize adoption, banks should promote clear advantages over other PFM service offerings, providing the ability to transact and highlighting bank site security."

The online survey, conducted by Fiserv in December 2009, polled 3,000 online banking users. For more information visit: <http://www.corillianonline.fiserv.com/>.

About Fiserv

Fiserv, Inc. (NASDAQ: FISV) is the leading global provider of information management and electronic commerce systems for the financial services industry, driving innovation that transforms experiences for financial institutions and their customers. Fiserv is ranked No. 1 on the FinTech 100 survey of top technology partners to the financial services industry. For more information, visit www.fiserv.com.

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Source: Fiserv, Inc.