

Digital Banking Experience Report 2022

Banks challenged to accelerate personalisation, security and environmental responsibility in the hyper-connected era

- *Hyper-connected customers who want personalised services are calling on their banks to speed up their transition towards more security, advice, digital services and respect for the environment.*
- *Banks are aware of these new challenges, but their digital maturity has declined since 2021 and they are reviewing their priorities*
- *However, banks still have a very high reserve of trust, opening up real opportunities to stand out and generate value.*

Paris, 19 October 2022 – Sopra Steria, one of Europe's leading tech companies recognised for its consulting, digital services and software publishing activities, revealed the results of its [Digital Banking Experience Report \(DBX\)](#) at the [2022 Sopra Banking Summit](#). For the second year running, Sopra Steria, in partnership with IPSOS and Forrester, is assessing banks' digital maturity and ability to keep pace with their customers' latest expectations.

The research is based on a cross-analysis of banks' perceptions (792 banking industry decision-makers surveyed by [Forrester](#) in 50 countries*) and consumers' perceptions (12,500 customers surveyed by [Ipsos](#) in 14 countries**).

As in 2021, banks are facing increasing change and consolidating their digital transformation in a pressurised macroeconomic environment. In 2022, however, the study highlights the obstacles hindering their digital maturity and the banks' diminished confidence in their ability to tackle the future. Among the major challenges identified for 2023 are the ability to collaborate with their ecosystem, the agility in their organisations and processes, and maintaining an unstable balance between operational resilience and capacity for innovation.

Customers' views are mixed on their bank's value proposition

The view from consumers, analysed in the Digital Banking Report 2022, also suggests that there is a gap to be bridged between the priorities set by banks and the expectations of their customers, which are changing at a rapid pace.

Despite the apparent proximity and ease of communicating with their bank through digital channels, customers note the banks' lack of presence at key moments in their lives when they are looking for advice, support and personalised services. Only 26% of customers say they are completely satisfied with the level of personalisation offered by digital tools, and 29% are dissatisfied with the banks' ability to listen to them on these same channels.

The discrepancies between what customers want and the services actually offered are leading customers to question whether the relationship with their bank is really long-lasting. This no doubt explains the fact that 46% of customers say they would open an account with a non-banking player if it offered appealing products. In Europe, this figure is highest in Luxembourg (51%), but only 11% in the Netherlands. "Banks must accelerate their digital transformation

to meet their customers' expectations for new services. Technology and data analysis are key levers that banks can activate to differentiate themselves while ensuring control of the regulatory framework," says **Laurence Niclosse, Director of Customer Experience for Banks, Sopra Steria Next.**

Hyper-connection calls for hyper-personalisation

Customers are hyper-connected, familiar with digital journeys, have multiple banks, and interact less often with their bank adviser. Nearly four out of ten customers now have an online bank, and 36% of them check it at least once a day. Mobile applications and websites are the primary channels of communication for 58% of respondents. Only 25% of customers report that they contact their adviser as a first choice, although in France 57% of customers continue to contact their adviser, compared to 23% in the Netherlands.

For the most sophisticated users, digital is no longer just a channel for interaction, it is expected to be a high value-added payment and management channel. Management assistance services supported by artificial intelligence are of great interest to 67% of respondents, who would willingly use a personalised recommendation and alert system in case of financial problems. Meanwhile, 68% of customers are interested in an application that would gather all their payment methods. The appeal of cryptocurrencies is also growing, with one in four clients having invested in cryptocurrencies, a trend that is particularly prevalent in Africa (42%) and the US (32%).

Security, a requirement and a driver of value

As a result of the increased use of digital tools, cybersecurity is a growing concern shared by both banks and their customers. More than one in four customers have suffered an attempt to hack into their bank account or to steal their identity, and more than one in seven of these attempts have been successful. However, 82% of cyberattack victims believe that digital technology has helped make exchanges and transactions with their bank more secure. Although banks continue to enjoy a high level of trust, they are expected to be more proactive in their responses. More than two-thirds of banks (72%) say they plan increase investment by more than 6% to better integrate cybersecurity into their strategic plans. Furthermore, one in four customers would be willing to sign up for a banking service that better guarantees the security of their data.

The environment, a new criterion for choosing banking services

Nearly one in four customers say that fighting global warming is a key issue, and 55% of them even say that this is becoming more important than investment profitability. For their part, bank managers recognise the role they have to play and are integrating environmental issues into their strategy. They see this as a source of differentiation and an opportunity to build customer trust and reduce their environmental impact. Furthermore, 63% of banks say that the environment is a priority on their agenda.

Banks still have room for improvement in their transformation capabilities

Given these new expectations, banks of all sizes, segments and geographies are encountering obstacles in their transformation. Between 2021 and 2022, the proportion of banks that fall into the lowest category in terms of digital maturity rose by 32%. Small- and medium-sized banks are particularly heavily represented here. We should note that their commitment to and investment in service and payment innovations is declining. Their short-term priorities are to shore up their resilience by protecting their information systems (39%) and improve their productivity and efficiency.

Priorities for speeding up the transformation

The banks that are the furthest along in their digital transformation are almost unanimous on the measures to take to speed up their transition, with 94% of them believing that the Software as a Service (SaaS) model will become the main mode of deployment in the future. Meanwhile, 95% of these same banks will rely on collaborative business models. Collaboration with ecosystems is also a central concern for the sector; 59% of banks say they have made investments in this area, but only 19% say they are ready for Open Finance. The biggest challenges in this area remain the interoperability of internal and external systems and data, as well as security requirements. To facilitate exchanges and promote their services on third-party platforms, 33% of the most advanced banks will make it easier to use their APIs in an integrated finance approach. There are 83% of them which will also significantly increase their investments in emerging technologies.

Finally, the valuation of data and the use of emerging technologies are also very much on the minds of banks. *"To face the future, banks must rethink how they work, focusing on creating value by offering adapted services that can be accessed from service platforms,"* says **Jean Carpentier, Banking Consulting Director at Sopra Steria.**

Methodologies of the studies

* Sopra Steria commissioned Ipsos to evaluate the digital maturity of banks and consumers. The survey was conducted between August 2 and August 25, 2022, among 12,500 respondents in 14 countries:

- The United States and 9 European countries (Belgium, France, Germany, Italy, Luxembourg, the Netherlands, Spain, Sweden, and the United Kingdom) among a representative sample of the population aged 18 and over, with a bank account in a traditional and/or online bank.
- 4 African countries (Ivory Coast, Kenya, Morocco, and South Africa) among the population with a bank account in a traditional and/or online bank, and/or a bank account with a mobile phone service provider.

** Sopra Steria commissioned Forrester Consulting to explore the priorities and challenges of banks, changes in their Digital Banking Readiness level, and new revenue opportunities. The survey was conducted in July 2022, among 792 senior decision-makers in the financial services, banking, and/or insurance industry across the world (Africa, Asia, the Americas, Europe, and the Middle East).

About Sopra Steria

Sopra Steria, a European Tech leader recognised for its consulting, digital services and software development, helps its clients drive their digital transformation to obtain tangible and sustainable benefits. It provides end-to-end solutions to make large companies and organisations more competitive by combining in-depth knowledge of a wide range of business sectors and innovative technologies with a fully collaborative approach. Sopra Steria places people at the heart of everything it does and is committed to making the most of digital technology to build a positive future for its clients. With 47,000 employees in nearly 30 countries, the Group generated revenue of €4.7 billion in 2021.

The world is how we shape it.

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