

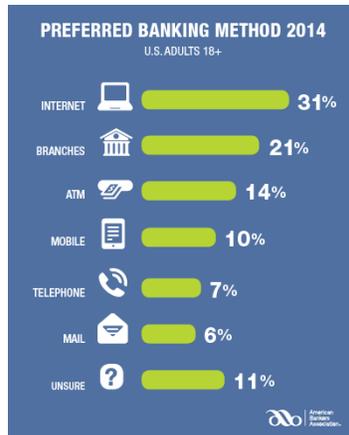


Online Banking

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Most consumers prefer to bank online.

- For the fifth year in a row, more bank customers (31 percent) prefer to do their banking online compared to any other method, according to a 2014 survey of 1,000 consumers conducted for ABA by Ipsos Public Affairs, an independent market research firm.¹



- Convenience is the number one attribute people look for when shopping for bank services, and online banking defines convenience for many customers. With a few clicks of a mouse, customers can check deposits, pay bills or even submit a loan application.
- Online banking has revolutionized the way many people bank today. But technophobic customers needn't worry: Electronic options are a complement to, not a replacement of, other banking methods such as the brick-and-mortar bank branch.

Customer preferences and needs are what drive the direction of the banking industry.

- Today, most banks offer online banking free of charge.
- According to a 2013 Pew study, 51 percent of U.S. adults, and 61 percent of internet users, bank online. (This represents an increase compared to 46 percent of adults and 58 percent of internet users in 2010).²
- Banks strive to offer customers choices that best serve each individual customer's needs.

Online Banking

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Banking online is still as safe or safer than visiting brick-and-mortar locations.

- Security is the number one priority for banks when choosing whether or not to offer online banking. All banks use Pentagon-grade encryption technology and intricate firewalls.
- Mandatory security upgrades are required by bank regulators. Online banking systems must include “multi-factor authentication,” which uses something you *know*, like a password, along with something you *have*, such as your computer or hardware token.
- See “Cyber Security” page in ABA Communications Guide for more on this topic.

Online bill payment is convenient and often free, which means it’s popular.

- Overall, people are moving away from checks and toward electronic bill payments.
- Over the past 10 years, the volume of payments made by check has declined substantially. Today, 10 percent³ of bill payments are made by check, down from 61 percent in 2002.⁴
- On the flip side, the use of payment cards and electronic instruments has increased exponentially – and now represents more than 60 percent of all bill payments.³
- 73 percent of online households (those with Internet access) pay at least one bill online each month – and 48 percent of them receive at least one bill electronically every month.⁴
- 75 percent of people who [receive e-bills](#) say doing so helps them better manage their finances, and 37 percent say that e-billing improves their relationships with the company from which they receive the bill.⁴
- Some experts recommend online bill payment as a way to protect yourself against identity theft; less paper means less chance for your information to get in the wrong hands. Also, regularly checking your online accounts is a great way to thwart unauthorized transactions.

Sources:

¹ABA 2014 Consumer Survey on Bank Preferences, ABA (Aug. 2014). Retrieved from <http://www.aba.com/Press/Pages/082014ConsumerSurveyMobileBanking.aspx>

²Fox, Susannah. 51 Percent of Adults Bank Online. Pew Internet & American Life Project, Aug. 7, 2013, <http://www.pewinternet.org/Reports/2013/Online-banking.aspx>

³2011 and 2012 Surveys of Consumer Payment Choice, Federal Reserve Bank of Boston (Sept. 29, 2014). <http://www.fiserv.com/2012-fiserv-billing-household-survey.htm>

⁴2012 Consumer Billing and Payment Trends Survey, Fiserv (Aug. 2011). <http://www.fiserv.com/2012-fiserv-billing-household-survey.htm>