

DIGITAL BANKING:

Is your app hitting
the right notes with
your customers?



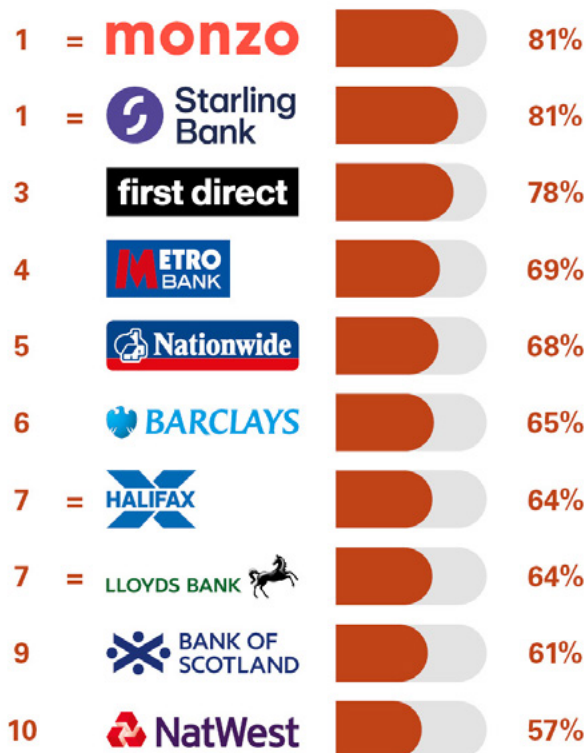
As inflation continues to put a squeeze on living standards in the UK and banks retreat from the high street, connecting with consumers is more important than ever. Whilst many consumers are making difficult and stressful decisions to manage their finances, a positive experience and brand associations are vital to customer retention.

Competition and Markets Authority data from Ipsos demonstrates that a strong branch experience correlates highly with higher perceived overall service quality,¹ and despite the common assumption that in branch services are only desirable to older customers, Financial Research Survey data demonstrates that being able to access services in branch is also important to younger people.

Overall service quality

We asked customers how likely they would be to recommend their personal current account provider to friends and family.

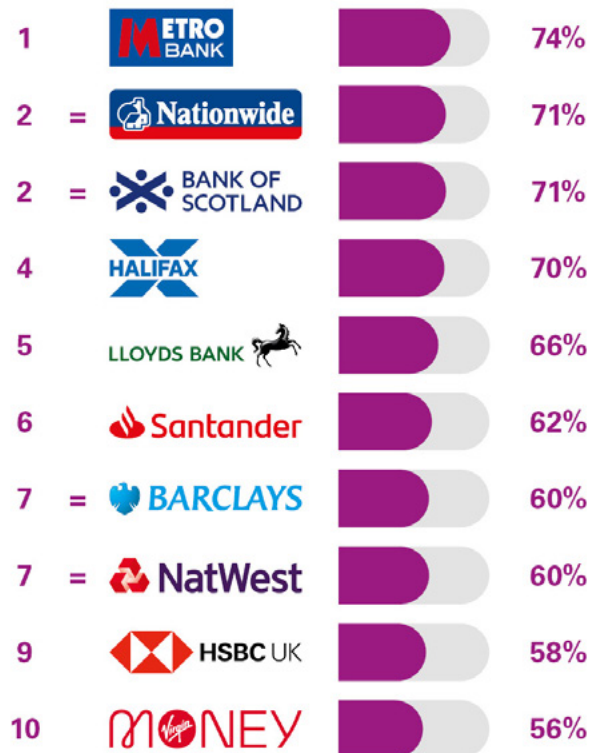
Ranking



Services in branches

We asked customers how likely they would be to recommend their provider's branch services to friends and family.

Ranking

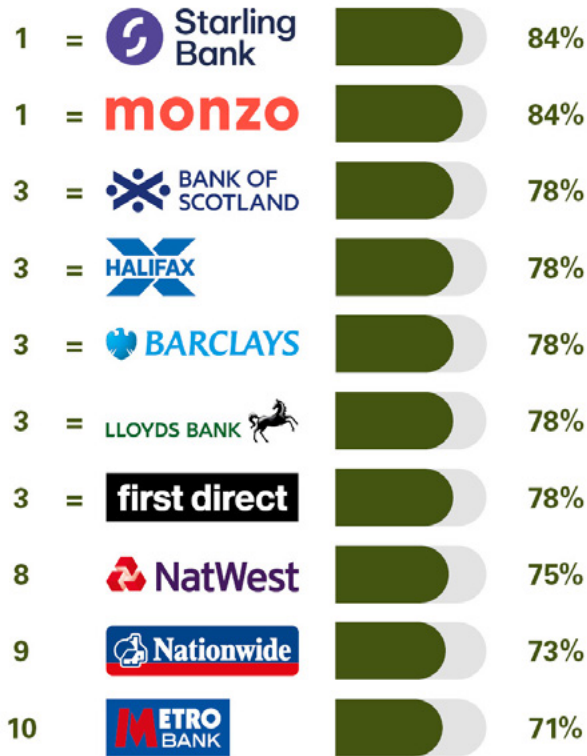


1. Personal banking service quality – Great Britain survey, February 2023
<https://www.ipsos.com/en-uk/personal-banking-service-quality>

Online and mobile banking services

We asked customers how likely they would be to recommend their provider's online and mobile banking services to friends and family.

Ranking



However, given that digital-only banks outcompete all the traditional brands in overall service quality (as well as online and mobile banking experiences), and a well-designed experience can build positive brand associations,² what can traditional banks learn about improving the online user experience?

In UX, we probe into a user's motivations and concerns when interacting with your app. With this context, designers can create the ideal solution for the real people on the other side of the screen, accommodating for factors like their digital confidence in a way that benefits all your users.



2. Ipsos' CX Forces framework <https://www.ipsos.com/en-uk/bridging-brand-experience-gap>

5 STEPS TO BETTER BANKING APPS

1

Your app works, but how does it feel?

A customer's perception of a product can be influenced as much by their emotional response as the practical features. Use visual cues to provide a better emotional response.

2

Beware the say-do gap.

Users often exhibit a say-do gap. Studying their behaviour can reveal the reality of how they use your app and potential improvements.

3

Are you making your user's lives easier?

In financial services 'easier' is about getting the right level of friction. Balance a smooth user experience with moments of friction for important tasks.

4

Don't prioritise shiny new features over strong technical foundations.

Whilst it's tempting to champion new features over resolving technical problems, for most users a banking app is fundamentally a utility, making a reliable experience crucial.

5

Who is your app accessible to?

User testing with people with disabilities and carers provides nuanced and specific feedback to help you better meet their needs and Consumer Duty regulations.

1

YOUR APP WORKS, BUT HOW DOES IT FEEL?

A customer's perception of a product can be influenced as much by their emotional response as the practical features. In a banking context, we see this in relation to issues like personal data security. Often when users say they want their banking app to be secure, first and foremost they mean that their banking app should feel secure. Users expect to take for granted that their finances are safe and for banks to have policies in place for mitigating the impact of financial fraud. Data security only becomes a differentiator when banks can show users that their money is safe.

“ Safe and easy. Feel secure as it always asks the right questions before you send money ”

“ So easy to use but feels totally safe and secure. From all I'm told, the best banking app out there. Three years on and absolutely no reason to change my mind. Brilliant app ”³

Visual cues can be a powerful tool in communicating features such as security. Google and Berkeley demonstrated this in 2016 by using a padlock icon to indicate to Chrome users when they were on a website using the more secure “HTTPS” protocol.⁴ Adding the icon to the browser window instantly conveyed a feeling of security to users, without adding much friction to the experience or explaining what HTTPS was.

Banks looking to signal security to the users of their app should ensure they use a consistent visual language with specific icons, buttons, colours, etc., all supporting an impression of a secure and safe experience. Providing clear navigation and feedback will also help users feel in control.

3. Ipsos' Synthesio platform, <https://www.synthesio.com/>

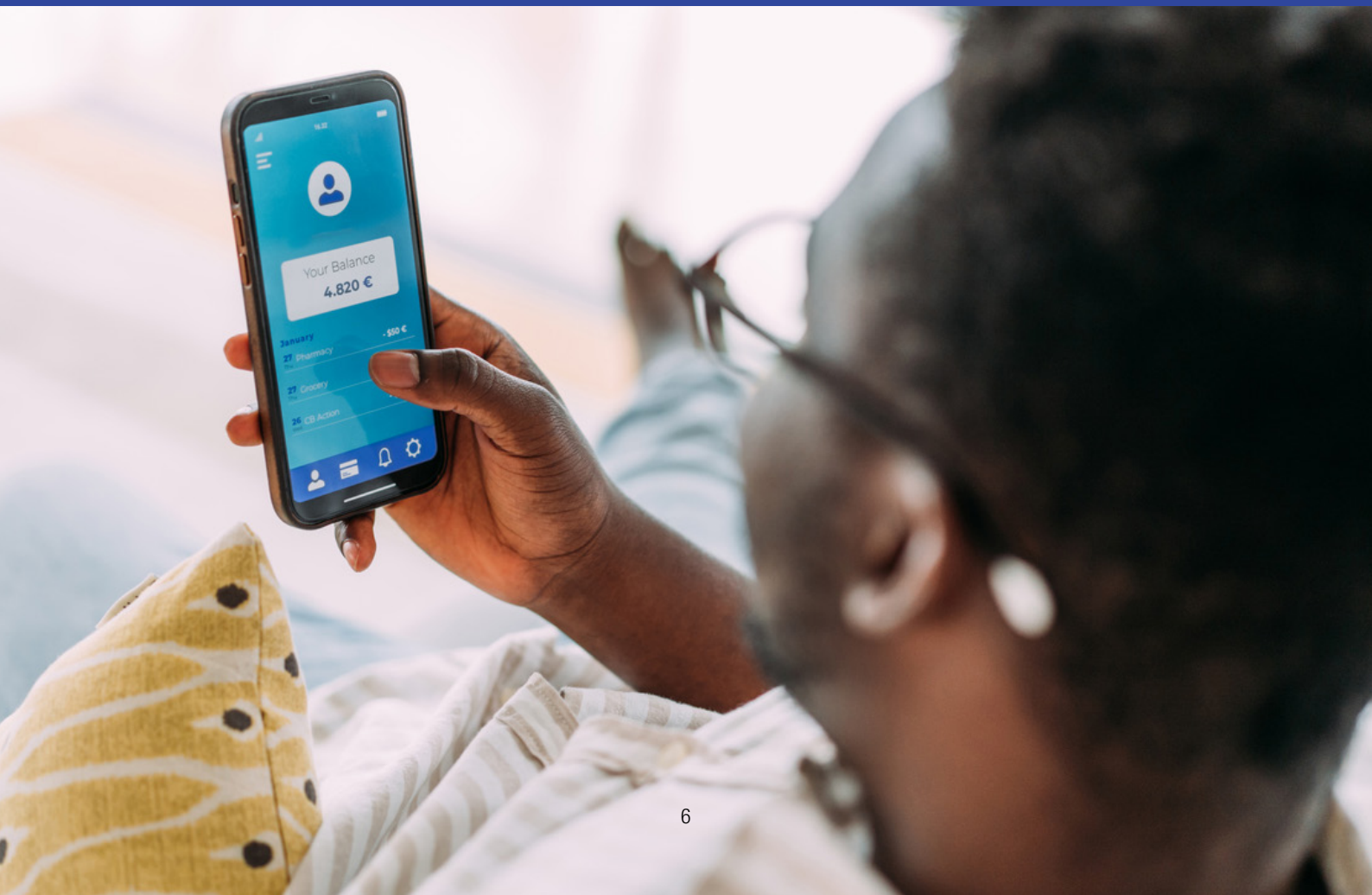
4. <https://www.usenix.org/system/files/conference/soups2016/soups2016-paper-porter-felt.pdf>

2

BEWARE THE SAY-DO GAP

Users often exhibit a say-do gap. Staying with security as our example, prior to the rollout of contactless payments, many consumers expressed nervousness about paying using a tap, rather than a “secure” chip and pin. However, these worries quickly dissipated when they saw real life examples and the behaviour of tapping to pay became normalised.

One common solution to the say-do gap is to look at behaviours, rather than customer opinions. For instance, when prompted about the experience of a financial service provider’s website, users reported that the website was “easy to use”. However, Ipsos behavioural research often reveals that many users struggle to complete tasks and frequently get lost. By looking at behaviour, we are able to suggest improvements to copy, information architecture, and iconography that improve user comprehension and ease of navigation.



3

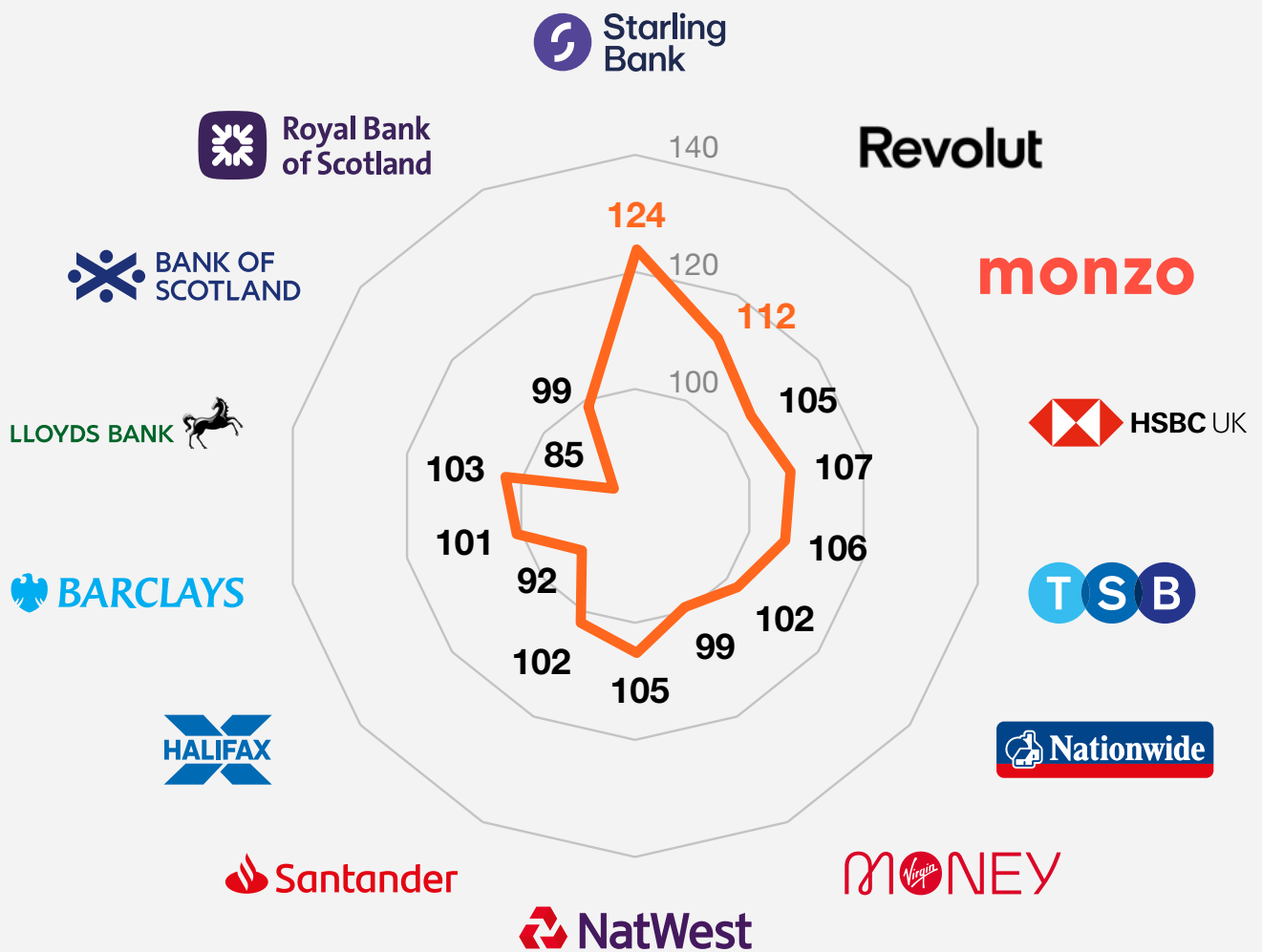
ARE YOU MAKING YOUR USERS' LIVES EASIER?

There is a commercial benefit to making your user's lives easier. Ipsos iris data demonstrates that brands with a better online

user experience are likely to over index with individuals who are willing to pay more for products that make their lives easier.

Top 2 Box Banking App Lifestyle Statements

— I am prepared to pay more for products that make life easier



Source: Ipsos iris Online Audience Measurement Service. UK - 15+, All Day, June 2023. Total Mins Affinity Index
Banking Apps: Bank of Scotland, Barclays, Halifax, HSBC, Lloyds, Monzo, Nationwide, NatWest, RBS, Revolut, Santander, Starling, TSB and Virgin Money.

However, in financial services ‘easier’ is about getting the right level of friction. Whilst time spent might reveal issues causing users to take longer to complete tasks (such as slow load times, technical problems, or confusing information architecture), adding some friction to important tasks by using additional security checks and reminders can increase confidence and reassure users that their financial security is important to their bank.

Where users are spending longer than necessary to complete tasks, you can reduce friction by:

- Reviewing common user flows for unnecessary “clicks”

- Checking your menus support the most frequent tasks
- Removing marketing interruptions whilst users are in ‘task mode’
- Providing options to move some features outside of the app, such as implementing payment notifications to confirm payments have been successful without users having to log in.

Context is vital to obtaining the right level of friction. For instance, Ipsos research has found that for users who rarely make payments, asking them to verify their identity using a card reader for each payment can be reassuring. However, to a younger person who regularly sends money to their friends, it can feel like an unnecessary annoyance.



4

DON'T PRIORITISE SHINY NEW FEATURES OVER STRONG TECHNICAL FOUNDATIONS

Like any other digital experience, users expect a reliable and consistent experience from their bank. Unsurprisingly, the largest individual reason users leave a negative review of an app is because they experienced a perceived technical issue or failure.⁵ 17% of negative mentions about banking apps relate to app “crashes”, and technical issues generally contributed to 56% of negative mentions on social media.⁶

“ Can't use it due to app fault... anytime I try to do anything other than view my balance I get stuck on an endless glitched loading screen telling me to make sure my face is in the frame whilst even recording. So frustrating, especially when you have a newer phone ”

“ The app doesn't let you create an account. I've been trying for a week now and it always says there is a problem and to try again later. Extremely frustrating ”

Whilst it can often be tempting to champion new features over resolving technical problems, for most users a banking app is fundamentally a utility, making a reliable experience crucial.

To build a stronger technical foundation:

- Monitor user reviews to identify issues
- Conduct UX testing to ensure new features are truly needed and that they clearly address user needs
- Foster an internal culture where product teams are trusted and empowered to make decisions about the health of the app as a whole, to mitigate duplication of existing features, and “feature-creep”.

5&6. Synthesio analysis of App Store and Play Store reviews

5

WHO IS YOUR APP ACCESSIBLE TO?

Accessibility is a crucial feature of a banking app, with around 10.4 million people in the UK having a disability. Meeting accessibility criteria such as Web Content Accessibility Guidelines (WCAG) will prevent any egregious user issues, but this is just a minimum standard which many banks go beyond. For instance, Barclays has an accessibility hub on their website that includes tips for using the app if users are partially sighted.⁷

User testing with people with disabilities and carers provides nuanced and specific feedback to help you better meet their needs. Like the rest of your users, every person with a disability has different needs and understanding these differences is what separates a good app from a great one.

Consumer Duty legislation makes it imperative that banks cater for users with disabilities, as well as vulnerable adults and those who aren't as financially literate or engaged. Adopting your user's language to explain complex financial or mathematical concepts and avoiding "dark patterns" (UX patterns aimed toward encouraging behaviours that might not be in a user's best interests) can help you better cater to your user's needs.

“ Having the HSBC app is an invaluable resource for me personally, because I have to keep a very close tab on expenditure due to being on Universal Credit, and P.I.P, in addition my sons P.I.P also goes into my bank account, the fact that these are highlighted in green makes it easier for me to see ”

In conclusion

Banks that want to meet the challenges of 2023 head-on will start with a UX strategy based on empathy, backed up by rich insights from user research, and secondary data. By adopting a data-driven UX strategy, banks can prioritise the transformative improvements that really matter to users (including those with accessibility needs) and avoid investing resources into “nice-to-haves”.

7. <https://www.barclays.co.uk/accessibility/>

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ABOUT IPSOS IRIS:

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ABOUT IPSOS SYNTHESIO:

Synthesio is a social listening pioneer and global leader in AI-enabled consumer intelligence, using AI-powered insights to help you make better, faster business decisions. Find out more at <https://www.synthesio.com/>.

ABOUT THE PERSONAL BANKING SERVICE QUALITY SURVEY:

As part of a regulatory requirement, Ipsos runs this biannual independent survey for the Competitions and Markets Authority (CMA,) asking 1,000 customers of each of the 16 largest personal current account providers in Great Britain and approximately 500 customers of each of the 11 largest in Northern Ireland. Participants are asked if they would recommend their provider to friends and family. Find out more at <https://www.ipsos.com/en-uk/personal-banking-service-quality>.