



How Customer Security Fears Impact Use of Mobile Banking

cyber security mobile banking

Summary: Financial customers remain wary of mobile apps, even as usage continues to grow. We discuss how CFIs can address consumer security concerns to help them feel comfortable using financial apps.

In the depth of the Great Depression, President Franklin D. Roosevelt needed to reassure the public that the dark days would pass, despite the gloomy view of so much of the country. He came up with the line, *"the only thing we have to fear is fear itself."*

Roosevelt understood that fear was a difficult emotion to overcome. Financial institutions (FIs) may be encountering something similar today with their mobile apps. The rise of mobile apps has dramatically changed the way people interact with their FIs. About six in 10 customers now do most of their banking through mobile apps. So, what's keeping those millions of other customers from using mobile?

According to a survey by NerdWallet, [nearly half of those who don't use financial mobile apps](#), shy away because of security concerns. Their qualms about managing their finances on a mobile device can be just enough to convince them not to try to use their FI's app.

Mobile app users are equally concerned.

What's especially interesting about the high level of security worries is that NerdWallet's survey shows an almost equal percentage of people who do use their FI's mobile app are also highly concerned about security, saying they worry about getting hacked. But these customers have opted to use mobile apps anyway, apparently deciding the risk is worth the benefits and convenience mobile apps provide.

The survey results highlight the high level of concern bank customers have about mobile security, whether they use mobile apps or not. For community financial institutions (CFIs), those results underscore the need to address the widespread unease customers have about data security when using mobile financial apps.

Mobile apps are actually quite secure.

In fact, mobile banking has a host of security protections that help keep customer accounts safe. To some security experts, mobile banking is actually [safer than banking online](#) because there is less chance of inadvertently downloading malware from a cyber crook when using mobile.

Despite the widespread concerns about mobile, there is no turning back. Study after study points to continued adoption and growth. Mobile banking has become the [standard for millennials](#), with a whopping 97% saying they already use it.

What can a CFI do about the high level of unease bank customers have about mobile security?

1. **Reassure customers.** Accountholders generally have a high level of trust in their CFIs. Offering them information about how you keep mobile transactions secure can help ease some fears.
2. **Offer customers tips on how they can help avoid security problems.** Emphasize the importance of using password-protected, secure Wi-Fi connections, and to avoid doing any mobile banking on unsecure internet connections, such as public Wi-Fi.
3. **Help customers identify your app.** Stress to customers the importance of downloading apps from known, trusted sources and to avoid logging into or sharing information on apps that aren't certified from their device's app store or their CFI's website. You should also provide a clear, easy way to download your CFI's mobile app from your site to help with this effort.

Mobile banking is here to stay, despite many customers' security fears. By offering comprehensive information on mobile security and alerts about problems, CFIs can help ease the concerns and help customers take advantage of mobile banking tools.

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ECONOMY & RATES

Rates As Of: 02/10/2023 11:58AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	4.77	0.07	0.35
6M	4.90	0.10	0.14
1Y	4.85	0.19	0.15
2Y	4.49	0.29	0.06
5Y	3.89	0.27	-0.11
10Y	3.70	0.19	-0.18
30Y	3.78	0.15	-0.19
FF Market	FF Disc	IORR	
4.58	4.75	4.65	
SOFR	Prime	QBER	
4.55	7.75	4.57	

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