



# Online Banking

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## **Most consumers prefer to bank online.**

- More bank customers (37%) prefer to do their banking online compared to any other method, according to a 2019 survey of consumers conducted for ABA by Morning Consult, an independent market research firm.<sup>1</sup>
- 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, making it as convenient as ever to access your account. Electronic options complement 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.
- Three-quarters of consumers used online banking in 2018, the same as in 2017, and slightly more than half (56%) used mobile banking.<sup>2</sup>
- Banks strive to offer customers choices that best serve each individual customer's needs.

## **Banking online is still as safe as 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 "Cybersecurity" 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.
- In a typical month in 2018, consumers on average paid 13 bills automatically or online and nine bills by mail, in person, or by phone. That is, they paid 6 in 10 bills using channels that cannot accept a paper payment instrument (check, money order, or cash). Bills represent about 30 percent of consumer payments overall.<sup>2</sup>
- 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.

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*Sources:*

<sup>1</sup>*ABA/Morning Consult 2019 Consumer Survey on Bank Preferences*, ABA (October 2019). Retrieved from <https://www.aba.com/about-us/press-room/press-releases/survey-bank-customers-preference-for-digital-channels-continues-to-grow>

<sup>2</sup>*2018 Survey of Consumer Payment Choice*, Federal Reserve Bank of Atlanta (August 2019). Retrieved from <https://www.frbatlanta.org/banking-and-payments/consumer-payments/survey-of-consumer-payment-choice/2018-survey>