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## INTRODUCTION

Welcome to the 5<sup>th</sup> edition of our report – a deep dive analysis into the banking app landscape in the UK. The study is now in its third year and covers five years' worth of data.

For those of you who have not read our previous reports<sup>1</sup>, the underlying motivation of the research is to **track and measure digital transformation in banking**. Never before, with the impact of coronavirus, has this transformation been more pertinent, as we witness a steer away from cash and a move to digital tools to manage our money.

In this review, we look back and reflect on the prior six months of change. Not only have we added 8 new apps to the study, we have also assessed an additional 30 features, now tracking a total of 125 features across both current accounts and Account Information Service Providers (AISPs).

The growth in open banking services means we now feature a bespoke analysis methodology for the digital money managers (Figure 2).

The study includes;

- Data from 100+ UK mobile banking apps from over 50 different providers.
- Apps published on both iOS and Android operating systems.
- A host of primary research findings obtained through extensive user testing to expose the feature sets and usability of the most popular apps.
- Extensive reporting and tracking of trends, rankings, ratings, and features.

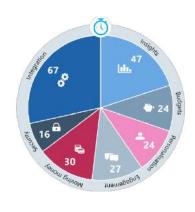
We welcome your feedback and hope you take some insight from our findings. Please visit our website for more detail of customised support options and the **enhanced benchmarking report that accompanies this edition**. Enjoy!

category for current accounts

Figure 1: Scoring points available by



Figure 2: Scoring points available by category for AISPs









## **EXECUTIVE SUMMARY**

#### No way back

Covid-19 has changed the way we've been living and each day we get more evidence of how permanent this disruption will be. Digital banking was an established technology before this pandemic with two-thirds (72%) use online banking services monthly, a third (34%) logging in once weekly and 13% doing so once every 24 hours. UK Finance's latest payment report for 2019 has mobile banking now used by 50% of consumers. **Covid-19 has** 

The apps best serving customers in light of Covid-19 are Monzo and Starling, followed closely by Halifax, Lloyds and Barclays

poured accelerant on this trend like nothing else before it.

The question is, when digital is more important than ever, can the big banks really compete? Will the current digital divide with their fintech rivals become more prominent to customers? Enough to make them switch allegiance in significant numbers?

It appears Covid-19
may have given a few
the excuse they needed
to get their coats and
leave without too much
embarrassment

Evaluating which apps are best serving customers in light of coronavirus restrictions showed some incumbents fare better than others. As expected, although challengers Starling Bank and Monzo were at the top, Halifax, Lloyds and Barclays were strong in delivering features that allow a customer to interact remotely: preventing customers needing a branch or calling customer service (like amending or cancelling a regular

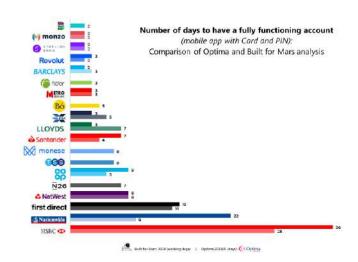
payment or paying in a cheque through their app).

#### No excuses

Competing in the market is tough and over the duration of the study we have seen many apps go to the grave including Fidor and Loot.

This year they are joined by N26,
Tesco and Bo. N26 withdrew from the UK market in May and Tesco
Bank announced a decision to 'focus on other products'.

Unsurprisingly, RBS' digital spin-off
Bo, having launched only six
months ago, has also decided to



exit the market shortly after their executive and Loot-founder departed the bank to become VC partner at Antler . It appears Covid-19 and Brexit may have given a few the excuse they needed to get their coats and leave without too much embarrassment.



Talking of embarrassment, a recent study by Built for Mars<sup>2</sup> compared some of the account opening experience of many of the apps that feature in our study. This seemed to cause a bit of a social media storm and challenge the obvious gap between new and old, but when we compared Peter Ramsey's results to our own experience two years ago, little has changed!

The fintechs are now mainstream, evident in the latest current account switching statistics. Starling and Monzo appear to be taking customers from Nationwide as their net gains climb whilst Nationwide's descend. Monzo for the first time had the biggest net gains of all the providers and in comparison, almost all of the traditional providers are running towards zero or suffering repeated net losses. **Customers are perhaps now tired of the** 

Figure 3: CASS incumbent banks 2015 -2020

60,000 HSBC LBG RBSG Santander Barclays

50,000
40,000
20,000
10,000
(10,000)
(20,000)
(30,000)
(40,000)

#### Haves and have-nots

excuses from their banks?

We can understand customers feeling frustrated at a lack of progress. The lack of functionality from some major banks' apps has increased the pressure they have on their limited staff resources during the pandemic. It was fascinating to read the post from TSB COO Suresh Viswanathan recently on LinkedIn, who commented "we had been considering an online chatbot to

Figure 4: No. of missing features supported by 66% of the market (current account)

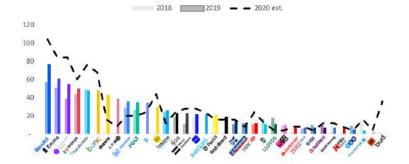


answer queries for some time...we were able to introduce [it] in just five days". Why did it take a global pandemic to deliver something which ultimately took such a short time for the bank? He reported they have subsequently answered 400,000 queries on their website with this chatbot and now plan to deploy it to their mobile app (with greater Al to make it more sophisticated). This type of feature gap is evident when we report in this 5<sup>th</sup> edition that many mainstream banks have 5 to 8 features missing that are offered by two-thirds of the market!

#### No time to stop

Apps across the board are getting faster to log-in, with a median of 6.4 seconds (down a second from the previous study). There remains a notable difference between the quartiles, with the quickest 25% of apps

Figure 5: No. iOS updates 2018 - 2020





#### take an average of 4.6 seconds to log-in and the slowest 25% double this!

Not only are the apps noticeably different to log-in, they update and release app updates at a very different pace. Fintechs on average, are on track to release more than twice the number of app updates than traditional providers in 2020. Perhaps incumbents fear the impact of numerous updates on their resilience, although we have seen some traditional providers not reporting any major incidents in the last 12 months, so some glimpses of progress there. On the whole though, challengers are faster, more reliable and they release more features more often: what's going to stop them?

#### **Next destination: super-app?**

The growth in features and functionality in finance apps, together with the thriving open finance ecosystem may be laying the groundwork for the super app. Revolut top the table for the number of features supported and having now integrated into open-banking also have a strong moneymanager proposition. In fact, just as we finalised this report, they released a redesign of their app "focused on creating one

Figure 6: No. features supported by provider Q1 2020

app from which you can manage all your finances with safety and ease, every day".

Will customers choose a range of specialist providers such as a bank, an everyday spending account, an AISP (of which there are many new entrants coming to market) or **will they gravitate to one super-app that does it all?** 

A word of warning though. If the mainstream banks that have integrated open banking to date think they got the super-app building blocks ready, take a closer look at the reality of the proposition and how empty it looks compared to specialists. There is nothing super about it right now.

#### The new digital 'space' race

SpaceX's recent successful mission transporting US astronauts to the International Space Station, illustrated the challenge ahead in this new digital landscape with one of the images being circulated around social media. Many traditional banks are trying to compete hamstrung with the Apollo-like 1960's infrastructure. Some of the first wave of direct banks launched in the last couple of decades have a slightly more flexible and cost-efficient structure. In reality though, it is the Dragon2-like challengers that are



setting the course of travel with their cloud-based, open architecture. Are they heading off with ambitions of Mars and beyond, going where no bank can follow? It's a race we're intrigued to watch evolve. **Find out which app would get Elon Musk's approval inside!** 



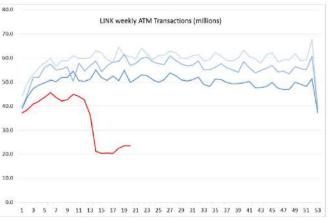
## **PART ONE:** BANKING APPS

## NO WAY BACK

#### The COVID-19 accelerant

The social distancing requirements thrust upon us has led to an increasing comfort with digital technologies which is accelerating the transformation of the banking landscape, advantaging banks with stronger digital capabilities. In China and Italy for example, four weeks after the virus began to spread, the estimated increase in customers digital engagement was 10 to 20%<sup>3</sup>. As we have seen with the LINK ATM UK cash statistics, where number of transactions has

Figure 7: Weekly LINK ATM transactions



plummeted<sup>4</sup>, (Covid-19 may be the nail in the coffin for analogue services<sup>5</sup>).

In the UK, the FCA have said their business plan will be fundamentally reshaped by the impact of Covid-19 on the UK and global financial markets, where there is enormous uncertainty about the size and nature of the potential damage<sup>6</sup>. It will be interesting to see what the impact on banks' implementation and development cycles is going forward and whether the rate of innovation slows down? For example, we witnessed that B (Virgin Money) have withdrawn their 'third party accounts' feature attributing this directly to the virus necessitating a priority shift.

The pandemic is fanning public concerns coronavirus could be transmitted by cash, leading to an increase in the contactless limit from £30 to £45. Since the new limit was introduced, the average value of all contactless transactions has jumped from £9.28 to just under £14<sup>7</sup>. Will Covid-19 change the rules of the game permanently? We suspect so.

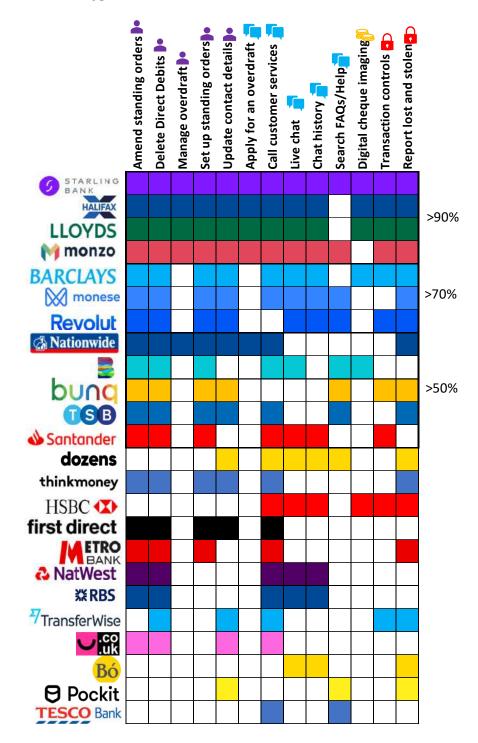


As Banks encourage people to do their banking online, there are some app features that have 'gone from a vitamin to a vaccine (in other words: from nice-to-have to essential')<sup>8</sup>. Lloyds reported the number of cheques deposited digitally had risen by a fifth and HSBC said 30% more cheques had been deposited every day in the last 4 weeks evidencing how a feature such as 'digital cheque imaging' can suddenly go from edge case to hygiene factor<sup>9</sup> (excuse the pun!).



We have identified key features we see as essential to improve customer experience, limit the need to visit a branch or ease the burden on customer service, in Figure 9.

Figure 8: Covid-19 hygiene features assessment



Starling Bank possess the entire feature set and demonstrate a clear focus on helping customers through this unprecedented time. Nowhere is this more evident than the innovation and agility they have shown in launching their 'connected cards' feature to deal with the challenge of purchasing essential supplies when in self-isolation. Their personal account customers requiring support are able to request a second card connected to their



account via the 'spaces' section of the app which can then be used by a trusted person to buy groceries and other essentials on their behalf<sup>10</sup>. Anne Boden has said the entire implementation from idea to delivery took just 10 days.

Starling also benefited from the BCR funds to implement cheque imaging for business customers and are now enabling for their consumer base to pay in cheques via the app too.



Not far behind with this innovation were NatWest, who also launched a companion card <sup>11</sup>. That said, this cannot be ordered via the app (you have to call to request) and without prejudging we suspect waiting for a PIN mailer and other operational challenges for loading etc may make this solution a bit more "sticky-tape". That said, they are particularly lacking in many of the other 'essential' features, which perhaps indicates a confused prioritisation. Users are still unable to 'set up standing orders to new payees' via the app or update their contact details! **Maybe it is time to focus on getting the basics right.** 

Halifax, Lloyds, and Barclays score well on meeting the app features in our Covid-19 table. In fact, since our data collection Lloyds and Halifax have added 'search FAQs' functionality, so now possess the whole suite of features along with Starling. In addition, HSBC have

added functionality to delete standing orders and direct debits. Revolut meanwhile, are only missing features dependant on a full banking licence approval e.g. cheque imaging and overdrafts are unable to be supported currently. Tesco Bank and Bó bring up the rear of this stack, unsurprisingly given their announced exit from the market.

# NatWest ② @NatWest\_Help · Apr 23 \*Please help us spread the word\* NEW Companion Card for customers in vulnerable situations or extended isolation. This can be given to trusted helpers as a secure, quick & easy way to pay for essential shopping. We're ready to discuss if this could help you on the number below. Our new Companion Card For trusted helpers buying essential shopping Lood up to E100 every 5 days Seporate PIN, cord number and not third porty access to your bank account Call: 0800 051 4176 Selection stress and limits apply feet evolution for actions purchases.

#### The time to change is here

Primary current accounts have fallen as an

overall proportion of total current accounts to 64%, as existing customers open second and third accounts. Digital challengers have particularly benefited from consumers' willingness to take out additional accounts. While they held just over 2% of all PCAs in June 2019, their share of new account openings in June 2019 was 14.3% <sup>12</sup>. For the 80% of Monzo's customers who have other banking apps, traditional banks are the biggest competitor: the top three apps that Monzo shares its customers with are Barclays, NatWest, and Halifax (in that order) <sup>13</sup>. With lots of time to consider finances at home whilst stuck in 'lockdown', the majority of the population may soon be joining them in the multi-banking experience.



Those moving their primary account to a fintech is also increasing according to figures from the Current Account Switch Service<sup>14</sup>, with over a million switches taking place in 2019 alone – the highest yearly figure since 2016<sup>15</sup>. In the latest statistics, six UK banks, two of them challengers, managed a net gain of customers in the fourth quarter of 2019<sup>16</sup>. Monzo made significant gains, overtaking all incumbent providers for the first time.

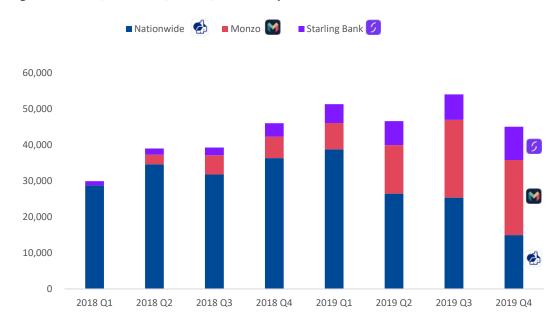


Figure 9: CASS Q1 2018 to Q4 2019 for selected providers

Monzo and Starling have become the challenger of choice at the expense of Nationwide, identified via the trends in Figure 10.

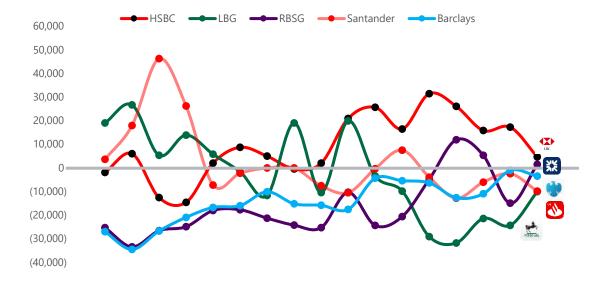


Figure 10: CASS incumbent banks 2015 - 2020

If we examine the big five UK banks current account switching statistic trends in Figure 11, we can see the traditional banking groups are at zero or losing customers through switching. It seems the challengers are the winners when it comes to CASS and reinforces



what we predicted during the previous report; that 2020 could well be the year the challengers go mainstream, Covid-19 adding fuel to an already burning fire.

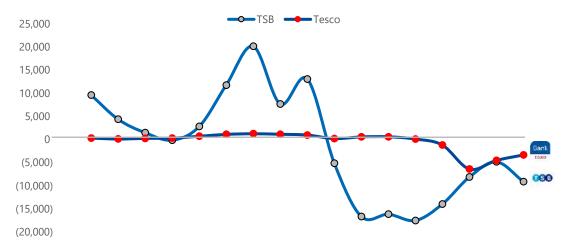


Figure 11: Original challenger banks CASS 2015 - 2020

The older challenger brands are facing a losing battle. TSB had significant drop off when they suffered issues with migration, now accumulating net losses. We can see they are beginning to recover to a net zero, although they experienced a slight dip again in the latest data. Tesco dropping out the current account market is no surprise given they have not made any net gains since 2015!

#### **Building scale**

The challengers' customer numbers continue to climb and show no sign of plateauing, despite Covid-19 impacting growth somewhat<sup>17</sup>.

It is reported there are over six million people using TransferWise to move £4bn every month<sup>18</sup> and Monzo surpassed the 4 million customer milestone. Outside the UK, they also leapfrogged Revolut in applying for US banking licence, although it could take up to two years for their application to be approved<sup>19</sup>.

Monese recently announced it had reached 2 million users and is on track to become the country's next unicorn. Their customer growth tripled during 2019, with 9,000 new customers now joining Monese every day<sup>20</sup>. Over 50% of Monese users are UK based and they recently hinted at a potential expansion to US or Australia<sup>21</sup>. Meanwhile, Starling Bank has raised an additional £40 million in funding and Now boasting 1.4 million accounts<sup>22</sup>.

However, for some there may still be an obstacle in turning downloads into active users; Curve, the London based fintech, has come under fire after leaked figures show just 14% of their 500,000 customers are active users<sup>23</sup>. In a post-Covid-19 world, the economic drivers start to get a lot more focus.

In the bank reporting season at half-year, most traditional providers signposted significant growth in digital channels; Santander reported 71% digital sales in Mar-20 (61% in Dec-19; 57% in Mar-19) and 1.7 k new mobile users per day<sup>24</sup> and Lloyds Banking Group reported daily log-ins at over 11 million, up 13% on prior year.



#### **Downloads**

As mentioned, leading challenger banks in the UK have suffered a **drop** in the number of new app downloads in the wake of the Covid-19 pandemic (Figure 13). The figures indicate that on average, the challenger banks' collective app downloads slipped by 23.38% by the end of March 2020 compared to February this year<sup>25</sup>. We wait to see how permanent a slowdown this is.

Despite this, several fintech apps have entered new Android download bands since the previous study; Cleo, in under a year, have gone from 10,000 to half a million, going from 100,000 to 500,000 since Q4 2019. PFM app Emma hit 100,000, TransferWise sail through to 5 million, Yolt reached half a million and Starling Bank have smashed the 1 million downloads mark, following a similar growth trajectory to their rival Monzo when aligning their launch dates.

Disappointingly perhaps, Kroo (formerly known as B-social), and Dozens have not managed to increase their downloads suggesting they might be too late to the party. Bó (the digital companion bank brand of NatWest and RBS) only managed to reach 10,000 minimum downloads before announcing their exit, with no notable increase in the three months post-launch. They had the same downloads as Dozens

Figure 12: Sifted reports app download decline amidst covid-19

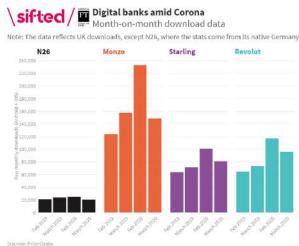


Figure 13: Apps (Android) that have increased minimum downloads from Q3 2019 to Q1 2020

	2019 Q3	2020 Q1	Change
HALIFAX	1m	5m	+4m
7	1m	5m	+4m
5	500k	1m	+500k
000	500k	1m	+500k
cleo.	100k	500k	+400k
(3)	100k	500k	+400k
fd	100k	500k	+400k
Y	100k	500k	+400k
	10k	100k	+90k
Z	1k	10k	+9k

despite being backed by one of the biggest current account providers in the market. This challenger life isn't easy!

Of the traditional providers, Halifax, TSB and First Direct have moved up download tiers, demonstrating a further swing in their customer base turning to digital. First Direct, historically a telephone bank, hitting a new milestone may provide the best indicator yet that analogue services are history.



#### **Choppy waters**

The financial impact of Covid-19 on challengers' economics could make 2020 a pivotal year for UK banking. The drop in spend and particularly cross-border will mean significantly lower interchange revenues (upon which many depend).

Cross selling of travel products such as insurance or FX margins are also at risk. As consumers focus more on saving money during an economic

# Monzo co-founder Tom Blomfield moves from UK CEO role to president

depression, will the fee paying options for metal cards or 'plus' accounts still add up if the perks are travel related? The recent announcement of Monzo's founder Tom Blomfield stepping aside as CEO could reflect the **changing maturity needed at challengers to find the path to profitability.** 

It is not just pressure for challengers, we discussed in previous editions that multi-banking may mean traditional providers no longer have the comfort of holding the salary account as the holy grail of the relationship. An added pressure coming down the line, however, is the FCA's proposal for an easy-access rate for savings. This go-to standard rate may erode the cheap funding banks have by offering low rates on old savings accounts and thereby deprive traditional banks of one of their revenue streams. It doesn't matter if you're a speedboat or an oil tanker, choppy waters lay ahead in 2020.



## **NO EXCUSES**

#### **Ratings**

There has been no significant change in the average rating across all current accounts (-0.1) on iOS and Android although, there have been some changes worthy of note. The rating distribution for Android fintech apps in the study has experienced quite a drop. Whereas previously almost two thirds of the apps were rated 4 stars and above, now this stands at just over half (56%). Current accounts N26 and Think Money dropped below 4 stars, as did AISPs Cleo, Tandem, Kroo and Money Dashboard. Yolt also appears to be suffering from a drop in rating. Smile has improved its rating from 1.9 to 3.5 stars and Co-op 2.5 to 4 stars (Android Q3 2019 to Q1 2020) whilst Bó fell from 3.3 to 2.5 (Q4 2019 to Q1 2020) suggesting it just could not cut it.

Figure 14: Android app rating by provider Q1 2018 to Q1 2020

In contrast on iOS, the average rating overall for fintech apps has gone from 4.1 to 4.5, since the previous report in November, and similarly improved for Android 3.9 to 4.2. Whilst the average rating for traditional apps has stayed static across both operating systems.

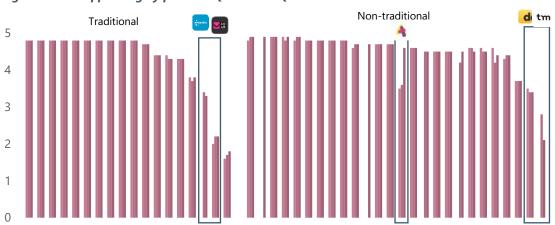


Figure 15: iOS app rating by provider Q1 2018 to Q1 2020

Co-op and Smile have not seen the same increases in rating on iOS compared to Android. Dozens' rating trend is worrying, falling in just a year from an initial rating of 5 stars to 3.4.



Similarly, Think Money only has a rating of 2.1 stars. Whilst Atom has seen a significant rating improvement since they refreshed their app from 3.5 to 4.6 (Q3 2019 to Q1 2020).

#### **Operating system disparities**

**Differences in apps across iOS and Android operating systems are becoming less prevalent**, with an average difference in rating of 0.2 favouring iOS. The standout disparities include Co-op bank and Smile (1.8 in favour of Android) and Yolt (1.4 in favour of iOS), despite the apps having comparable feature sets. There is a difference with regards to the HSBC app (1 star in favour of iOS) which seems to be explained by the functionality gap present on the Android equivalent app. These include features such as 'balance after bills', 'add to wallet', 'live chat', and 'call customer service'.

2.0
1.5
1.0
0.5
0.0
-0.5
-1.0
-1.5
-2.0

Figure 16: Rating disparities across o/s Q1 2020

#### **Incidents**

dependence on digital services, the regulator was expressing concern and a level of intolerance for interruptions to customer service. Pressure is growing on firms to squeeze IT changes into small windows, increasing the risk to operational resilience. Building consumers' understanding that system enhancements cannot always be achieved safely without planned outages will be increasingly important as firms digitalise,<sup>26</sup> but perhaps difficult to achieve during social distancing. The FCA have stated that they will monitor the number of incidents and outage times and expect these to reduce<sup>27</sup>. They also require firms and FMIs to set tolerance for disruption, and to ensure they can continue to deliver their important business services during severe but plausible scenarios<sup>28</sup>. Covid-19 won't be an acceptable excuse.

Even prior to Covid-19 and the increased

DOWN AND OUT TSB, HSBC and First Direct websites and apps down for an hour this morning leaving customers locked out of accounts





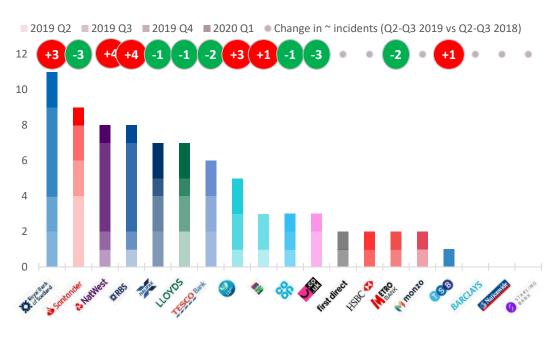


Figure 17: Mobile incidents reported by providers Q2 2019 - Q1 2020

The latest mobile incidents data shows generally there are more incidents affecting mobile banking being reported, with RBS Group and CYB showing increases over the prior six month period. Barclays and Nationwide figures show good stability amongst the incumbents, suffering no incidents in the last 12 months, along with Starling Bank.

#### Speed of change

TransferWise were asked in a recent report how they effectively balance building stable and secure systems with agility and innovation and stated:

"We do this by doing smaller iterations and gradual rollouts rather than big-bang releases every few months that a lot of large financial institutions do. We do over 1,000 releases a week. This allows us to continue to be agile and learn quickly from our customers and also undo changes quickly if things are unstable." <sup>29</sup>

This emphasises why we witness shorter development cycles and higher numbers of app releases by the fintechs compared to the incumbents.

In Figure 20, the fintechs are still increasing pace; those at the top, (if they continue at the rate they have started the year) are **on track to release even more updates in 2020 than the previous year.** 

Non-traditional providers in 2019 had an average of 28 updates versus 12 for traditional providers. Based on our 2020 year estimate, **this gap is** 

Figure 18: Average # app releases per year





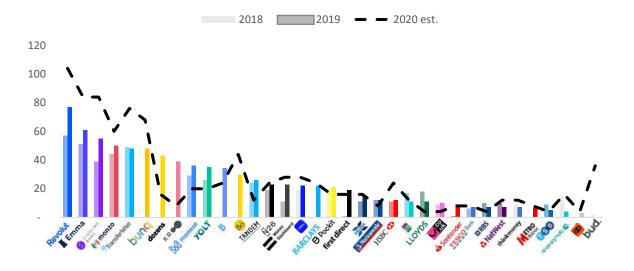
predicted to remain with an average of 31 releases for fintechs and 14 for incumbents. Fintechs are likely to release over double the number of updates than the traditional banking players.



Bó, before announcing its departure, looked on track to do well in terms of updates having already released 11, similar to the likes of Monzo. However, in terms of actual features being delivered we only saw them add 3 features in the past 6 months. The cause or the consequence of exiting the market?

There are a several apps usually upper quartile in terms of number of updates (Yolt, Dozens and Monese) that haven't started the year with as much pace, these will be ones to watch in the second half of the year.

Figure 19: iOS updates 2018 to 2020



#### Another one two three bites the dust

N26 had previously cited big ambitions, aiming for between 30 and 70 million customers (this would make it bigger than Deutsche Bank, RBS, or Barclays)<sup>30</sup>. On their journey to achieving this goal, the bank now boasts five million customers, a significant increase from its 3.5 million users last summer, with European markets proving the most fertile region for growth<sup>31</sup>. The FT reported:

"customers open our app several times a day to share or move money seamlessly, enabling them to make quicker decisions that reflect their daily financial needs. Customers can also conveniently contact us through digital channels such as our chat where we are able to respond on average within 30 seconds<sup>32</sup>"

The bank claimed to have recruited 250,000 new customers in the US, just six months after opening its doors Stateside<sup>33</sup>. With this success in mind, we were surprised in February this year, just over a year after launch, N26 announced it was leaving the UK and closing accounts, blaming the country's official departure from the European Union. Whilst it claimed the reason for leaving the UK was down to Brexit, it is

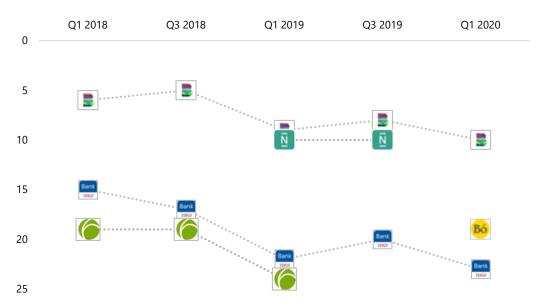






far more likely the challenger pulled out because it did not have enough customers<sup>34</sup>. Data compiled by Sifted in December suggested that among British fintechs, N26 ranked far behind its local peers like Monzo and Revolut by monthly active users (MAUs)<sup>35</sup>. Sifted

Figure 20: Leader-board (selected apps)



summed this up well by saying "arguably, this disengagement came down to limited appetite amid tough competition". Other newcomers will testify, competition in the UK is tough.

Perhaps less surprising was Tesco Bank withdrawing their current account product, announced in their recent financial results:

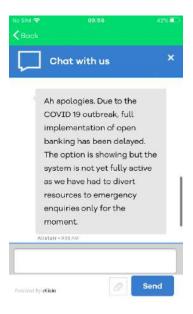
"The Group's PCA product was not attracting the level of customer demand that the Board had predicted and, as a result, the Group took the strategic decision to focus on products that

will help Tesco shoppers manage their money a little better every day. By removing the Group's PCA product from sale, the Board will ensure that the Group's resources are concentrated on new developments which are better aligned to the Group's vision and purpose".

When we examine how they have performed in all five editions of the study, it could have been foreseen. They have failed to get above position 15 in the league table and that was back in 2018.

Another market challenger B, the digital spin-off brand of CYB (now Virgin Money) may also be showing signs of decline. The app has gone from 6th position in our inaugural study back in June 2018 to a current placing of 10<sup>th</sup>. The pressure to develop is showing as we noticed that their open banking features had been removed. When discussing this on their in-app chat, it came to light that they were putting delayed implementation down to covid-19. The reality is that as new players have joined the market B's offering has become weaker.

Figure 21: B removed TPAs feature





The announcement of the decision by RBS to wind down Bó and instead integrate the technology into Mettle was a question of when not if. As we said in the last report in November "if it is not able to act like a challenger it may be a short-lived experiment". A short-lived (or failed) experiment it was. In this case (as perhaps in the case of B too), the words of Chris Skinner ring true, "big banks who have retail operations should not build new digital retail banks, as they will never succeed". Ouch, the truth hurts!



## **GROUNDHOG DAY**

#### **Features**

The gap in number of features supported by traditional and non-traditional current account providers has widened further, with the challenger apps supporting an average of 13 more features in total than incumbent apps.

Fintech current account apps, on average, now support 43 features versus 30 features on traditional current account apps. This gap is still most felt in the money management category with the fintechs supporting over double the amount of functionality to help users manage their spend. Fintechs are now also ahead in every other feature category too. Traditional providers previously had a lead in technology, but the non-traditional current account apps have now surpassed that.

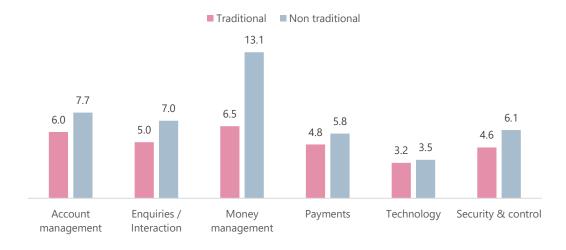
Figure 22: Difference in the average number of current account features supported by challenger apps versus traditional





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Figure 23: No. of features supported across categories by type of provider, Q1 2020





#### Log-in times

**Apps across the board are getting faster to log-in,** with a median of 6.4 seconds (down from 7.6 in the previous study six months ago). There is a still a notable difference between the top and bottom 25%, with the quickest an average of 4.6 seconds to log-in and slowest double that at 8.1 seconds.

LQ — Median — UQ 12 10 8.1 8 6 6.0 4.6 4 2 Q2 2018 Q3 2018 Q4 2018 Q1 2019 Q3 2019 Q1 2020 Q2 2019 Q4 2019

Figure 24: Average log-in time evolution (seconds) Q2 2018 to Q1 2020

In Figure 26 we can see the log-in times for the traditional providers tend to be much more inconsistent than the log-in times for the non-traditional providers across most apps in each category. The non-traditional apps are also quicker to log-in.

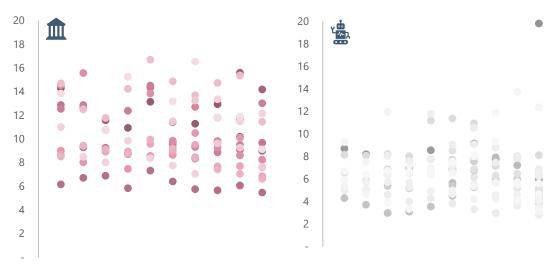


Figure 25 : Average log-in time (seconds), by app, 2017-2020 (traditional / non-traditional)

Figure 27 shows the standard deviation is larger for the traditional apps. This variation in log-in times has reduced over the previous three quarters for both fintechs and traditional providers and it will be interesting to see if this is part of a longer trend, especially with the added pressure from Covid-19.



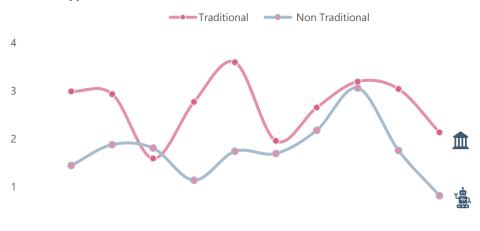


Figure 26: Evolution of standard deviation of log-in times (secs) split by traditional & non-traditional apps 2017 - 2020

Consistent with the reduction in the average standard deviation, we saw a sharp narrowing in the variation of log-in times this quarter by quartiles. This may be a result of the new apps added to the study (all fintechs) being relatively consistent to log-in. This does suggest the market standard is changing and users may no longer tolerate a slow, inconsistent app.

#### **Table stakes**

We are now tracking 125 features in the study, an additional 30 features since our last report was published, the largest increase in number of features since we started the Mobile Banking App Review back in late 2017.

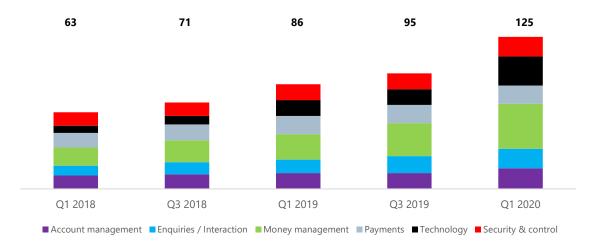


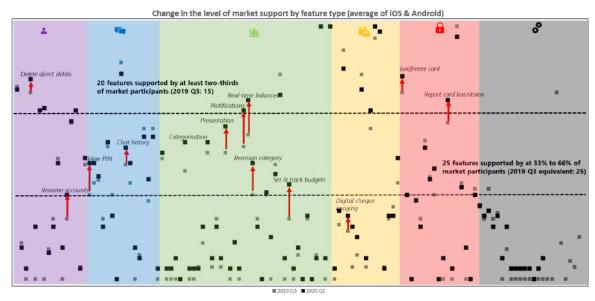
Figure 27: Number of features tracked in each published report

This demonstrates how fast the market is moving and the rate of innovation we are seeing, particularly from players such as Revolut, Starling and Monzo. For example, we have recently started tracking features including; copy card number, share a transaction receipt, rename a direct debit, various aspects of marketplace functionality, view credit score, as well as payment initiation services and functionality allowing a user to reset their contactless counter in-app.



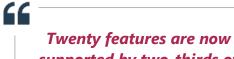
When we examine the evolution of features contained in a mobile banking app (Figure 29), twenty features are now supported by two-thirds of market participants, five more since the previous study. Some of this increase is a consequence of additional features being added to the data collection but, there have also been some key movements in support.

Figure 28: Change in level of market support by feature type



Real-time balances have finally gone from just over half the market (57%) to almost three-quarters (71%). Barclays, Halifax, and Lloyds now update balances in real-time, whilst Santander show pending transactions. This is also in part representative of the fact that any new entrants tend to have real-time balances as standard (e.g. Bung, Pockit, Think Money etc) which raises the bar and demonstrates a hygiene factor.

Functionality for a customer to report their card lost or stolen has moved from 62% to 71%, and real-time app notifications has moved from half the market to 67%, thereby shifting them to a hygiene factor. Categorising transactions has also become more supported across apps, moving past the 50% threshold. Likewise, 'view PIN' is now almost at 50% of the market. Providing the user with the ability to set and track budgets increased, soon likely to be over half the market.



supported by two-thirds of market participants, five more since the previous study

Rules-based transfers (i.e. automated

automatically moved into it. When I've got less than 50.00 Sweep money from 

Figure 29: B added rules-based

Make sure you're always in the black by

automatically moving cash between accounts when you're running low.

transfers

Main

£ Sweep

For this account

05-00-05 | 03288547

Send me an alert when my

amount and money's

account goes below a certain

moving of money based on predefined criteria) is a new feature tracked. B / Virgin Money added support for this whereby a user can set up a rule that sweeps money from one account to another, if that account drops below a user-defined







balance (Figure 30: B added rules-based transfers. Monzo's salary sorter also uses rule-based transfers to send money to different pots set up by the user, on pay day.

**Digital cheque imaging is now supported by a quarter of the market** (up from 19% in Q3 2019), as discussed earlier in the report this is functionality that has become more important given the Covid-19 context.

As we can see from Figure 31, there is a moderate correlation between the number of app features contained in a banking app and the user rating, showing **customers appreciate a feature-rich app where they are able to perform not only basic banking activities** but also see insights on their spend and manage their money. Covid-19 is likely to reinforce this relationship.

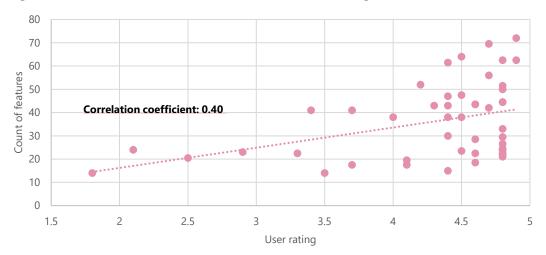
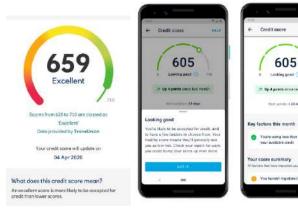


Figure 30: Correlation between count of features and user rating Q1 2020

#### **Financial health**

The Money & Pensions Service put forward in their strategy that a more supportive and easier to-access debt advice system can help people to resolve debt problems earlier. Showing a customer their credit score for free, within their banking app, can help customers understand and be more proactive at managing their financial health<sup>36</sup>.

Figure 31: NatWest and Monzo credit score feature





NatWest and RBS were the only apps to add functionality enabling a customer to view their

credit score, although Monzo released a blog article in February that also said this was imminent<sup>37</sup>. Unusual for Monzo this has not yet appeared in their app.

The rapid impact of Covid-19 and financial remedies such as payment holidays, furloughing and fee-free overdrafts, has the potential to make the traditional credit score redundant for the foreseeable future. It will be interesting to see if the enthusiasm to add this into a banking app continues or if an alternative measure is needed.

More than half the market are missing six or more features supported by 66% of providers, suggesting there is some way to go before banking apps are no longer a differentiator

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#### Missing features

Examining the gaps in the table stakes, the writing was on the wall for Tesco Bank and Bó who are missing the majority of features supported by most of the market, whereas Revolut at other end of the scale are only missing one. Halifax, Lloyds, and Starling were not missing features last time, whilst the highest number of missing features was only five. This shows the bar is continually being raised as more features become hygiene factors. More than half the market is missing six or more features supported by 66% of providers, suggesting there is some way to go before banking apps are no longer a differentiator.

Figure 32: No. of missing features supported by 66% of the market (current account)

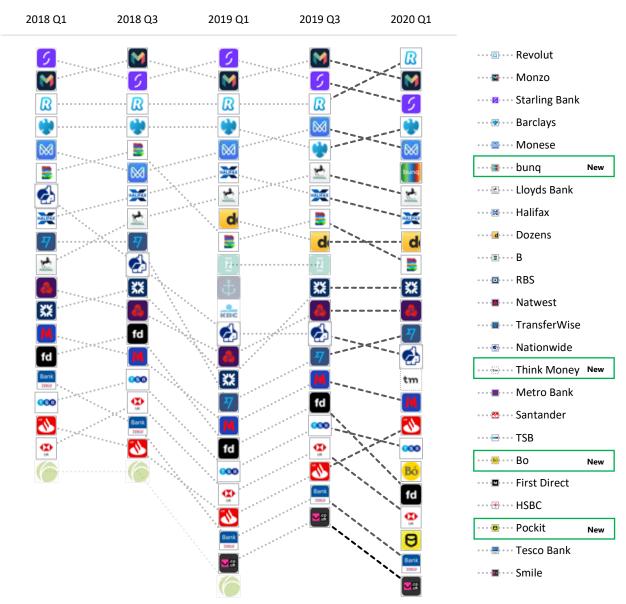




# CHANGING OF THE GUARD

After Starling and Monzo have tussled for the top two spots in our previous four reports, we have a new current account winner! Revolut have stormed to first place after consistently coming third to the two challenger rivals. Revolut has a commendable suite of features across all categories and after adding support for third party accounts, it is very competitive in the money management stakes too. They possess some unique features that most of the rest of the market lack including 'reset contactless counter', 'copy card number' and 'rename direct debits'. Starling and Monzo remain close in overall score but Monzo just take second place.

Figure 33: Banking app leader-board



Barclays continues to be the only incumbent bank to bag a place in the top five. Lloyds and Halifax to 7<sup>th</sup> and 8<sup>th</sup> respectively, with the addition of Dutch neo bank Bunq who has a very



strong proposition. As new fintechs enter the market it appears traditional providers slip further and further down the league table.

That said, Santander managed to move up significantly and overtake several peers after adding six new features. Some of these additions are supported only for customers with a Mastercard debit card and on iOS but Santander say they are in the process of migrating customers over.

Bó only makes 19<sup>th</sup> place – nowhere close to competing with the other digital banks, showing even as a companion app, **customers are more likely to opt to multi-bank with the likes of Starling, Revolut and Monzo. A hard (and costly) lesson learned for the big banks!** 

Unsurprisingly given their exit from current account market, Tesco Bank are bottom along with Smile. With Covid-19 providing a laser-focus on digital capability, will this provide the stimuli for major banks to overcome their app's lack of functionality? Or will the pressure on resources actually widen the gap further? Could 2020 be the changing of the guard?



# **PART TWO:** AISP APPS

## **OPEN FINANCE**

#### Moving mainstream

Open Banking has already transformed the way millions of consumers manage their personal finances and use their data<sup>38</sup>. Britain's biggest banks have poured £81.1m into the Open Banking Implementation Entity (OBIE), the body charged with building the standards and infrastructure to deliver the scheme but this is just a fraction of the total amount spent by the same banks on readying their own systems for Open Banking<sup>39</sup>.

Figure 34: Number of successful AIS API calls



In January this year, the OBIE reported

it had over two hundred regulated providers and the latest statistics for April show successful AIS API calls at just under 400 million, although a disappointing first drop in volumes recorded to date.



Nine of the current account apps and five of the big banks are now aggregating third party data as an AISP

Open Banking adoption surpassed the one million customer milestone in January this year, and with customer numbers doubling in six months, now said to be close to two million. It is starting to become more than an edge case.



We have seen money platforms, challengers, incumbents, comparison

platforms all moving into, and experimenting with, account aggregation. Nine of the current account apps and five of the big banks are now aggregating third party data as an AISP.

#### **Payments**

Customers are starting to adopt, and the reliability of APIs is getting more dependable over time with average API availability sitting at 98.62% but there are some variations in availability by brand. For example, M&S Bank and HSBC had unplanned downtime of 7.39% and 2.74% respectively, in April this year. These types of performance issues are addressed in the latest CMA9 roadmap to make open banking services on a par with main banking services.



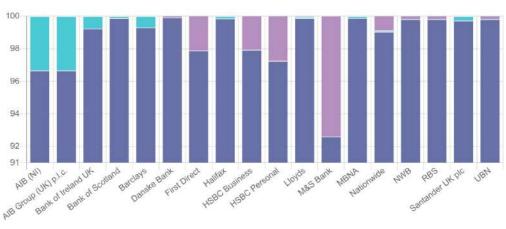


Figure 36: Average API availability by brand April 2020

Despite open banking maturing, the coverage of providers is still inconsistent across aggregators. We have seen many AISPs move solely to open banking connections and therefore provider support has in some instances has fallen due to not all banking providers being API ready.



Figure 35: Number of providers supported across AISPs

That said, Halifax and Lloyds now support more accounts that the more mature money managers like Emma and Yolt. Yolt discussed in a recent blog post their decision to switch to APIs (over banking credentials) was due not only compliance with PSD2 but also because they 'deliver the most reliable, secure, and long-term benefit for our users'.<sup>40</sup>

The ever-transparent Monzo released their Open Banking stats and set the industry barometer for performance (alongside Starling) serving ~100m account information requests with 99.9% uptime and a 150ms response time.

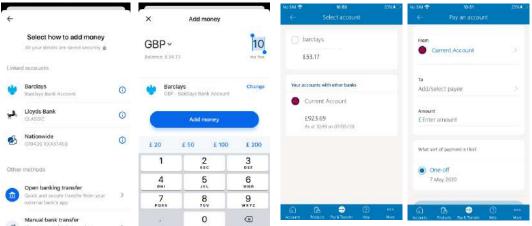
Whilst AISP is showing significant growth, payments (PIS) has been a different story. The number of providers offering this service is low, but customer demand is also lacking. So far, only Yolt and Barclays are offering users the functionality to move money from third party accounts. Revolut added functionality that enables users to add money to their account through payment initiation. In April, Plaid launched in the UK, 'a convenient way to fund new accounts and get more people using fintech faster'<sup>41</sup>. The ecosystem is



developing but what will drive customer demand to adopt it in place of traditional channels?

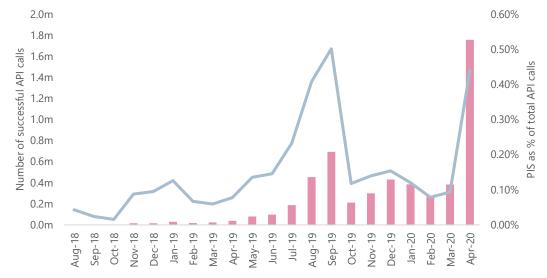
Figure 38: Revolut add money using PIS

Figure 38: Barclays pay new payee via PIS



PIS volumes followed a similar growth trajectory to AIS but suffered when SCA rules came into force in September 2019. Stagnating at 0.10% of volumes for the last six months, they appear to have had a surge in uptake in April reaching 0.44%. Could this be the start of PIS growth? Although, it is likely that until refunds, recurring payments and request to pay arrive, it is a weak alternative to established methods.

Figure 39: Open banking PIS API performance



#### **Fitbit for finance**

The FCA have outlined that building consumers' financial responsibility and financial wellbeing should be a **strategic goal for the financial services sector**. Better money management is surely part of the solution to the 11.5m people who have less than £100 in savings to fall back on, the 9m people who often borrow to buy food or pay for bills and the 22m people who say they don't know enough to plan for their retirement <sup>42</sup>.

Consumers in the 'squeezed middle' also show signs of vulnerability. Over 13 million people are financially squeezed, 43% have a household income under £20,000 and 21% are



overly indebted. Most do not have the savings buffer necessary to handle a prolonged income shock. According to Financial Lives Survey data, 35% of individuals have limited financial resilience, 27% would be able to meet their living expenses for less than a month if they lost their major source of income and 7% of households could do so for less than a week<sup>43</sup>. Evidence of this is the rapid take-up seen for payment and mortgage holidays amidst Covid-19.

With this landscape, it is clear to see the attractiveness of providing a digital money manager, or as new entrant Snoop calls themselves 'a Fitbit for your finances'. As with these health devices and apps, it is important to present the data in a personal and understandable way for customers and make it easy to act on the data. Repeatedly we see poor implementation of account information services as a tick box exercise rather than embedded functionality with real insight that actually helps customers.

#### **Feature support**

It is unsurprising that tech-led, non-traditional AISPs have more features than traditional banking providers, especially in categories such as insight, integration and budgets.

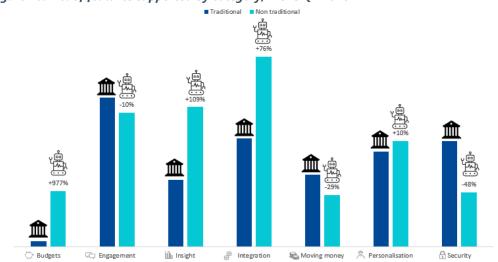


Figure 40: No. of features supported by category, AISPs Q1 2020

Having recently added third party accounts, Revolut is a strong performer, supporting all but one of the features present in two thirds of the market (our 'table stakes'). A key differentiator for Revolut is that the majority of features applicable to a user's Revolut account can also be used on the third party accounts. Dedicated AISPs Cleo and Emma also have good coverage of the table stakes.





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A key differentiator for Revolut is that the majority of features applicable to a user's Revolut account can also be used on the third party accounts. Perhaps a surprise is Yolt's position here, with a lack of common features such as multiple devices, live chat, chat history and the ability to take screenshots. Yolt instead use Facebook groups for chat, suggestions and reporting of bugs.

#### 1.1 The proposition graveyard

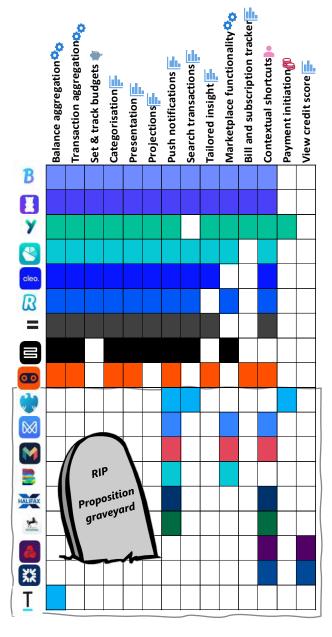
The AISP market is evolving rapidly and we have included the French fintech Bankin' (who integrate with UK banks) to showcase how the dedicated AISPs are able to rapidly develop a sophisticated proposition. Although some aspects of the Bankin' service are still local language, it is a very strong offering. What is abundantly clear, however is that there is a proposition graveyard where half of the market lack any intelligent functionality (Figure 43).

At a time when the consumer is worried about money, support for bill and subscription trackers are increasing; Snoop, Starling, Figure 42: AISP key feature support by provider

Monzo, Emma, Yolt all provide this. It is unsurprising customers are keen to save money in this area after research from NatWest shows that consumers are wasting £25 billion each year on unused direct debits, standing orders and recurring card payments. The typical consumer pays out £496 in recurring payments each month, yet £39 of that goes on things they do not use or want<sup>44</sup>. There is a clear value-add here for consumers.

There is a proposition graveyard where half of the market lack any intelligent functionality

As we noted earlier in relation to current accounts, view credit score is relatively new, but we expect support to grow with Monzo likely to be the next app adding this functionality. Payment initiation support, as mentioned, is also low but we expect more providers to support this by the end of 2020, provided development is not too hindered by impact of coronavirus.





Bankin' rank very well, although some features are not available for UK customers. However, if a French start-up can connect easily to UK banks and deliver that functionality, it does not bode well for banks that have done very little in the past two years.

If a French start-up can connect easily to UK banks and deliver that functionality, it does not bode well for banks that have done very little in the past two years.

The same is true of new entrant Snoop who, just a couple of months into launch, have already delivered more insight than 8 of its competitors.

Although we have identified some key features, there are levels of richness that separate good from great. If we take

categorisation for example, automatically

categorising transactions is not enough by itself. Many are allowing users to reassign categories and even create their own. Another example is 'budgets', customisable and adaptable by category, rather than a simple budget for the month. A few apps are also offering users the ability to exclude transactions from budgets, as well as suggesting a budget based on user's spend in previous months. Feature development must evolve at pace or risk the app starting to look weak in comparison.

#### Log-in times

The difference between the quartiles is not as significant as current accounts and the apps in general are quicker with a median of 5.2 seconds. Generally, apps are getting quicker over time visible via the downward trend on the chart. Similarly, as with current accounts, the

Snoop bill tracker

Regular Payments

17 Regular Payments

18 8 15

17 Regular Payments

Admiral Insurance 62.63 Anderton Land Place 10 Age

Admiral Insurance 5.98 Anderton Land Place 10 Age

Admiral Insurance 15.98 Anderton Land Place 10 Age

Animal Friends 7.99

Land Place 11 May

BT 30.46 Animal Friends 17 Age

Land Place 1 May

Buth 75.00

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Figure 43: Example of

Figure 44: AISP log-in times



fintech apps have the quicker log-in times (Figure 47).



**-**LQ -─Median — 14 12 10 8 7.0 6 4 2 Q2 2018 Q3 2018 Q4 2018 Q1 2019 Q2 2019 Q3 2019 Q4 2019 Q1 2020

Figure 46: AISP average log in-times Q2 2018 to Q1 2020

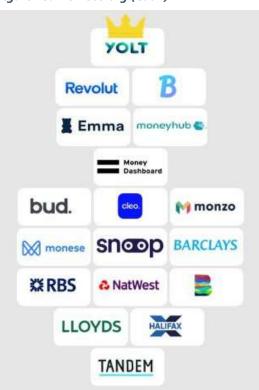
#### Leading the way

In our first official ranking list, Yolt tops the league table with an expansive marketplace and support of payment initiation and payment requests. Bankin' with over 4 million users in France, England, Spain, and Germany, is in second place, although it is not really marketing itself aggressively in the UK at present.

Emma is a strong money manager however, a few of the features we track in the study (which would help them climb further), are only available on the Pro version. Long established Money Dashboard (historically web-based) is a weaker proposition although, they have launched a new app version since the data collection, and we will look closely at this in the next study. We expect great things with a renewed app-first focus.

Tandem actually removed insights and projections this quarter and there is now very little analysis on third party accounts which has seen them prop up the table. They have been working on Ada, a new

Figure 45: AISP Scoring (Caan)



Al system that will help offer customers "a truly personalised experience". Perhaps insights and other money management features will soon return?



"I don't think any bank has actually offered a personal service yet even though the word is thrown around a lot. Our goal here with Ada is that she learns from millions of customers and so the outputs and insights she puts out, each one will be personal to each customer – there will be no generic outputs." - Tandem

It will be interesting to see this in action because, as we have continually discovered during the three years of the study, actions speak louder than words.

Snoop is a new addition to the study in this edition and jumps

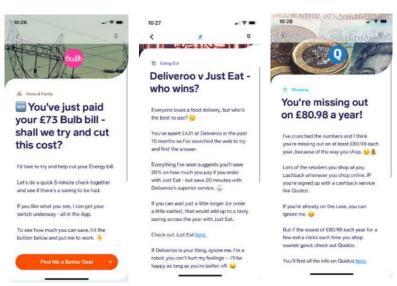


straight in above nine other apps. Snoop has very quickly started making tailored suggestions (see below), including:

- become a member of the Co-op to collect points on spend;
- cut the cost of an energy bill;
- make money from spending by using Quidco; and
- save on food delivery services.

Snoop are releasing at pace and since their beta launch, we have been impressed by the content of the fortnightly updates to the app. We expect them to challenge the leader board in our next edition at this rate of development.

Figure 47: Snoop insights



Revolut is the strongest account provider in the AISP market, with Monzo mid-table whilst the big banks prop up the rear. For the most part, these apps continue to bring in the balances (and in some instance the transactions) from third party accounts but are still doing nothing intelligent with the data. It begs the question whether they should continue to attempt to deliver these services at all?

It may make more sense for incumbents to partner with specialist partners like Tink who have been fine-tuning their PFM for 8 years now, based on customer behaviour<sup>45</sup>.

The data from Bud's recent consumer survey clearly shows that there is 'opportunity for banks and fintechs to work together in a model that aligns their interests with their customers'. It shows that concerns around privacy and security are real, but that people balance those concerns against the perceived value that services offer. Marketplace banks are coming, and mass adoption is probably around two years away<sup>46</sup>.

Figure 48: Revolut's display of Lloyds transaction data



With the growth is AISP volumes in 2019 and the increasing numbers of customers multi-banking, the prediction of two years until mass adoption (especially with the Covid-19 backdrop) of marketplace banking could actually become a reality rather than hyperbole.



With more first time users of digital services, the connected marketplace is closer than ever before. If banks cannot do this well themselves, they need to partner with someone who can and stop pretending appending one transaction or two is 'connecting services'. Decision time for major banks is fast approaching!



## **AU REVOIR?**

### The graveyard is getting bigger

We like to close each report by reflecting on the predictions we made and what the market said they planned to do next: it makes for amusing reading! Yet again, **the grand ambitions of major players seem to have hit the rocks** and it would appear Brexit and more recently Covid-19 provides a convenient excuse as to why they are now adopting a different strategy.



The grand ambitions of major players seem to have hit the rocks and it would appear Brexit and more recently Covid-19 provides a convenient excuse as to why they are now adopting a different strategy

Bo, Tesco and N26 join Loot, Fidor, HSBC Connected Money and Artha on our list of apps that have come and gone; some more expensive mistakes than others. HSBC's ambitions to relaunch First Direct haven't yet surfaced and the HSBC main app is consistently at the bottom of the table.

Who will be next to fall? Virgin's challenger brand (B) looks at risk unless it can start to evolve. Can start-ups like Kroo, Dozens, and bunq get the sort of scale seen from Revolut, Starling and Monzo? Given the ultra-competitive nature of the market we suspect not. Perhaps that ship has sailed for these newer entrants?



Can start-ups like Kroo, Dozens, and bunq get the sort of scale seen from Revolut, Starling and Monzo? Given the ultracompetitive nature of the market we suspect not.

Is there room for any more challengers then? Perhaps they will need the backing of a behemoth to make inroads in the UK? It will be interesting to watch if Goldman or JP Morgan hit these shores with a current account offering: "We're trying to deliver a retail bank branch through your phone" said Eric Lane, Goldman's consumer, and wealth management chief. "This is only the beginning". 47

#### Survival of the fittest? Or youngest?

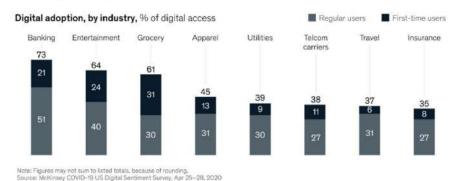


Covid-19's impact on our future direction is going to be seismic. According to the HM government briefings, 44% of us are working from home versus just 12% last year. Many parts of our lives will change – the places we go, the people we see, how we travel and how we pay for it all. It is clear that digital services have evolved from a nice to have capability to an essential service. McKinsey's analysis of US adoption is a trend we are seeing worldwide.

Digital banking is surging during the pandemic. Will it last?



Figure 49: McKinsey analysis of digital channel adoption, April 2020 US consumers are accelerating adoption of digital channels, a trend seen across global regions.



If customers' behaviour change is permanent, this could actually play right into the hands of the modern, cloud-first, digital-native challengers. Wells Fargo's Soccorsy articulates this disruption perfectly: "I think customers will be delighted with the convenience of doing many of the things that they were doing in other channels through digital banking, as a result of this crisis. You may see customers unwilling to go back to the way things were...we have not seen anything like this in our lifetimes, so it's going to play out in front of our eyes." 48

#### **New commercial landscape**

Visa's proposed acquisition of Plaid is a good example of the developing ecosystem and partnership model which we expect to get much more traction in 2020. Commercial models are forming to monetise open banking at scale. We expect to see more deals like those by Moneysupermarket who have six energy partnerships launched to date including Emma, Snoop, Totally Money, Love Energy Savings.<sup>49</sup>

Plaid have said there is 'massive demand in the personal financial management and neobanks space' but is keeping its strategy close to its chest, although it is clearly aiming to be similar to Sweden's Tink; a dominant pan-European operating glue for fintech apps. We expect to see many more partnerships form this year as participants finally



recognise the value of an open, connected ecosystem, harnessing the expertise of specialists in their field rather than trying to do everything alone (badly).

#### Three choices!

Readers of previous editions will know we like a Jeff Bezos quote or two and we thought his latest shareholder letter was a particularly pertinent way to close off this report. Talking about the impact of COVID-19 by reflecting on this from Theodor Seuss Geisel: "When something bad happens you have three choices. You can either let it define you, let it destroy you, or you can let it strengthen you." We will see the choices our participants have made next time!



# **METHODOLOGY**

#### Who is included in the study?

The data presented in this report is the result of a four-year study on the mobile apps of over 51 providers in the UK. The data sample of service providers is intended to be representative of the UK banking and payments landscape including those providing current accounts, business accounts, credit cards and account information services, as well as account aggregators and other payment services such as money transfer services. These services are provided by a myriad of incumbent banks, high street banks, challenger banks and fintechs. Data was collected for apps on both IOS and Android operating systems to represent the majority of UK smartphone users. The providers include: Amex, Atom Bank, B, Bankin', Bank of Scotland, Barclaycard, Barclays, Bo, Bud, Bunq, Capital One, Cleo, Co-op Bank, Curve, Dozens, Emma, First Direct, Halifax, HSBC, KBC Bank, Kroo, Lloyds Bank, M&S, MBNA, Metro Bank, Monese, Money Dashboard, Money Hub, Monzo, N26, Nationwide, NatWest, PayPal, Pockit, RBS, Revolut, Santander, Snoop, Smile, Starling Bank, Sync., Tandem, Tesco Bank, Think Money, TransferWise, TSB, Vanquis, Yolt, Yorkshire Bank, Zeux and Zopa.

#### What data was collected?

We collected data from the Google Play store and the Apple App store for each individual mobile application, including but not limited to; app store user rating, number of reviews and date of last update. This data was collected each quarter for each mobile app, on both operating systems. Further to this, we completed user testing for a select group of over 40 apps across both operating systems whereby we collected data on features and capabilities within the apps including the account opening processes. This user testing group was chosen primarily on those aimed at providing consumers with everyday banking services.

The features we have captured are defined in the appendix. Availability of a feature within each app was collected primarily using the apps themselves and otherwise relying on bank websites, communications with company representatives and the app store descriptions to determine the availability and support.

Mobile app log-in times were collected several times within each data collection period at various times of the day. Where biometric log-in was available, this was the log-in method used. Log-in times were tested on the latest IOS and Android operating versions available at the time of collection on a variety of handsets (Samsung Galaxy S10, iPhone 7S, iPhone X and iPhone XS).

As stated, this report has been compiled from our proprietary primary research. Some secondary data sources such as industry reports and authoritative third-party vendor data has also been used where it helps to enhance or support our findings; these are referenced throughout.

#### Want to know more?

We also offer **bespoke reporting, insight and analysis tailored to your business** and related mobile apps. This will help you to understand how your app is performing against others in the market including specified competitor sets. The data and insight received will equip you with the knowledge of where your app has gaps to establish and prioritise functionality for development, as well as to understand best practice in mobile banking.



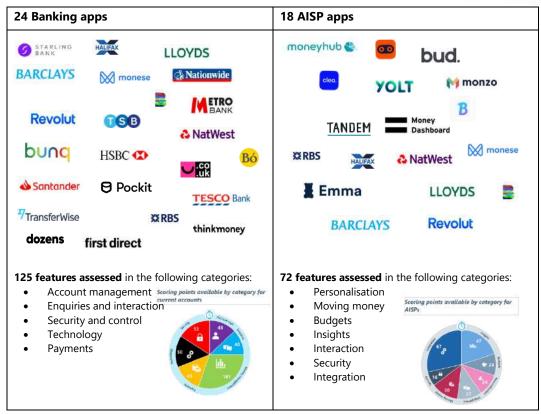
# **FURTHER INFORMATION**

#### **Enhanced benchmark report**

If you enjoyed reading this report and would like to know more then please get in touch. A full set of the benchmarking analysis and individual app results are available to purchase as a download from www.optimaconsultancy.com/bankapp for **just £649 +VAT**.

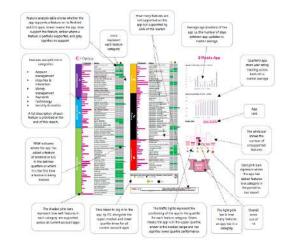
The **enhanced report contains an extensive assessment of over 40 apps** representing most of the UK **current account market and AISPs** including established players, challenger banks and fintechs:





For each app provider, you receive:

- The individual app analysis containing a comprehensive breakdown of app features across both iOS and Android operating systems
- App ranking over time with score broken down by feature category
- Gap analysis of missing features against the market
- How well supported a feature is across the market
- Log in compared to the market average
- Year on year app store rating comparison
- How the age of the app has changed over time
- Number of account integrations (AISP)
- A collection of screenshots for each app showing the app home screen across devices and presentation of third party accounts





## **ABOUT OPTIMA**

Established in 2007, Optima Consultancy has grown as a specialist payments consultancy practice, based in Manchester, UK but working across the globe.

We have a deep understanding of the payment ecosystem and are fortunate to work with some of the biggest brands in the value chain, including: Issuers, Acquirers, Payment networks, PSPs, Retailers and Mobile operators.

#### Mark O'Keefe, Founder

Founding director of Optima Consultancy, operating across commercial finance, strategic change, and business transformation. 20+ years in the payments industry and a fellow of the Chartered Institute of Management Accountants (CIMA). Member of the PSR panel. Corporate experience with M&S Money and Capital One.



#### **Karen Dodd, Principal Consultant**

Qualified CIMA accountant with 14 years client-side experience. Specialist in business case modelling, commercial analysis and pricing and proposition development. Previously at TalkTalk, M&S Money and British Airways.



#### **Janine Fowles, Consultant**

Law and MBA graduate, passionate about digital technology with experience in digital commerce, commercial analysis and project management. Previously at JD Williams as Conversion Rate Optimisation Executive for Simplybe.com.



#### **Matt Simester, Strategic Partner**

Director of Cards and Payments at PCL, his expertise covers payments strategy, regulatory management, partnership development, value proposition development, retail payments and benchmarking.



#### **Paul Lucraft, Associate Consultant**

Over 25 years' experience in financial services, spanning Finance, Credit and Fraud Risk banking and payment cards. A specialist payments and risk consultant and chartered accountant, previous employment includes credit risk strategy at TSB and General Manager UK and Ireland at MasterCard.





# **CURRENT ACCOUNT FEATURES**

## **Account Management**



Feature	Description
Amend standing orders	The user can change the details (such as the payment amount) of a standing order or alternatively cancel the standing order completely.
CASS	The user can initiate a request to use the current account switching service from within the app.
Change PIN	The user is able to change their card PIN from within the app
Delete direct debits	The user can cancel a direct debit mandate.
Download statements	An electronic version of a monthly statement can be downloaded to the user's device as a printable document (e.g. PDF).
<b>Enable screenshots</b>	The app enables the user to take screenshots whilst in an active session.
Get cash from ATM using app	The user is provided with functionality within the app enabling them to get cash from an ATM without using their card.
Manage overdraft	The user can request to increase or decrease their overdraft limit.
Personalise content	Aspects of the mobile experience can be "personalised" by the user such as uploading a profile picture or adding a greeting message.
Rename accounts	The user can rename and relabel the account names displayed in the app.
Set up standing orders	The user can add and save the details of a new recurring payment for a specific amount to a new payee.
Update contact details	The user can update the contact information of the account holder such as address & contact details.
Upload & store documents	The user can upload files within the app to a secure cloud environment.
View monthly statements	An electronic version of a monthly statement can be viewed within the app by the user. This is not just a list of transactions but a replica of the paper statement.
View PIN	The user can view the PIN / receive an instant reminder for the payment card connected to the account, such as a SMS.
Rename direct debits	The user is able to re-label the name of direct debits.
Download/share transaction receipt	The user is able to download or share (e.g. by email or messaging) a statement or details of a transaction made on their account.

## **Enquiries / Interaction**



Feature	Description
Account opening	A user can apply and open a new current account or sign-up to the service entirely from within the mobile application.
App shortcuts	The app provides shortcuts to some functionality within the app by clicking on the app icon e.g. freeze card or make payment.



Apply for an overdraft	The user can apply for an overdraft within the app without being redirected to a web browser.
Apply for other products	The user can apply for other products or subscribe to offers from the provider within the app without being redirected to a web browser.
ATM / branch locator	The user can find information on the location of their nearest bank branch and / or cash machine.
<b>Book appointments</b>	The user can book an appointment to visit a bank branch.
Call customer services	The user can find the contact details for the provider and call them directly from within the app, without having to type the number into their handset.
Chat history	The app stores the previous chat(s) or messaging history so the user has a record or can continue a conversation.
Contextual shortcuts	The user is provided a shortcut to complete an action based on the app context (e.g. Clicking a recent 'payment out' they could make another payment to that recipient, be provided an option to recategorise, split the payment, dispute the transaction or transfer money etc).
Dispute transactions	The user can query / dispute a transaction from within the app by clicking through from the relevant transaction. This does not just navigate to generic help or contact.
Live chat	The user can contact the provider via an instant messaging service hosted within the app.
Search FAQs/Help	The user can search FAQs and help content in the app.
Share account details	The user has the ability to seamlessly capture their account number and sort code to send to a recipient (this can be copied into a clipboard or shared through native messaging services).
Share account details (TPAs)	The user has the ability to seamlessly capture their account number and sort code from third party accounts to send to a recipient (this can be copied into a clipboard or shared through native messaging services).
Travel notification	The user can notify the provider of travel plans, allow location-based services or informs the user that no action is necessary to travel abroad.
Copy card number	The user can seamlessly copy the number of the card associated with their account from the app.

## **Money Management**



Feature	Description
3rd party balance aggregation	The user can add and view the balances from accounts held with other providers, which are aggregated across all accounts.
3rd party transaction aggregation	The user can add and view the transactions from accounts held with other providers which are aggregated across all accounts.
Bill and subscription tracker	The user is able to track and monitor their regular bills and subscriptions by separating repeating payments (e.g. providing insight on changes to amounts).
Bill and subscription tracker (TPAs)	The user is able to track and monitor their regular bills and subscriptions on third party accounts, by separating repeating payments (e.g. providing insight on changes to amounts).



Categorisation	The app categorises a user's transaction data to enable a user to view their transaction data through different lenses such as aggregated by category of spend (groceries, lifestyle) or by retailer.
Categorisation (TPAs)	The app categorises a user's transaction data from third party accounts to enable a user to view their transaction data through different lenses such as aggregated by category of spend (groceries, lifestyle) or by retailer.
Create a category	The user is able to create their own category in which they can assign transactions.
Currency converter	The app provides a function whereby users can calculate live currency and foreign exchange rates, separate from international payments function.
Customise account view	The app allows the user to choose which accounts are included in summary view (e.g. the ability to reorder, show or hide certain accounts and/or specify account type).
Customise notifications	The user can turn on or off push notifications (described above) or choose to only receive certain types or category of push notifications.
Exclude transactions from budgets	The app allows the user to exclude non-relevant transactions from budgets.
Fast balance	The app provides the user with the ability to find out their balance without logging in to the app.
Group savings	Users can add money to a group savings pot.
Presentation	The user can view insights on their spending in the form of graphs, charts or imagery. Transactions are presented with merchant logos, google maps data or category icons.
Presentation (TPAs)	The user can view insights on their spending on third party accounts in the form of graphs, charts or imagery. Transactions are presented with merchant logos, google maps data or category icons.
Projections	The app provides projections and predicted bill expenditure / income to a user-specified date such as 'payday'. I.e. projecting how much a user has to spend before their next payday.
Projections (TPAs)	The app provides projections (see definition) for third party accounts the user has added to the app.
Push notifications	The app provider sends the user activity notifications to their devices (i.e. a pop-up message).
Real time balances	The user can view their balance which is updated in real-time for all transactions including card payments.
Reassign category	The user can reassign the category of a transaction (e.g. from eating out to entertainment).
Receipts & notes	The user can add information to individual transactions such as attaching a digital or photographed receipt, tags or notes.
Receipts & notes (TPAs)	The user can add information to individual transactions on third party accounts such as attaching a digital or photographed receipt, tags or notes.
Round-ups	This feature rounds up a user's card spend and moves it to a savings pot / account.
Rule-based transfers	The user can initiate rules that move money on a recurring basis. E.g. when salary is received money will automatically move into 'bills' or 'savings' pots.



Savings goals	The user can save money by putting specified amounts into "pots" within their current account. Once in a "pot" that money is protected from daily spending. Money can be moved easily in and out by the user.
Search transactions	The user can search their transaction history using defined criteria.
Search transactions (TPAs)	The user can search their transaction history on third party accounts, using defined criteria.
Set & track budgets	The app allows the user to set and track budgets.
Set & track budgets (TPAs)	The app allows the user to set and track budgets on third party accounts added into the app.
Share transactions	The user can share transactions with other users of the App which creates a shared tab of transactions that can be settled, added to, or removed.
Split categorisation	The user can 'split' the transaction to be able to categorise two (or more) amounts differently.
Tailored insight	The app provides user-specific insight, prompts or reports based on their account behaviour (e.g. travel reports, upcoming subscriptions, changes to regular payment amounts).
Tailored insight (TPAs)	The app provides user-specific insight, prompts or reports based on their account behaviour on third party accounts.
Transaction feedback	The app gives the option (within the details of a transaction) to provide feedback on that specific transaction to the app provider. This will include for example, whether the retailer logo or location is incorrect. Feedback is specific to the transaction and not generic app feedback.
View balances	The user can view their account balance.
View credit score	The user is provided with information about their credit score.
View transactions	The user can see a description of their payment transactions including information such as the date, type, and amount.

## **Payments**



Feature	Description
3rd party payment initiation	The user can initiate a payment from one of their added accounts held with another provider.
Add to wallet	The user can provision directly to an external payment wallet without having to enter any card details.
Apple Pay	The issuer of the account / the service provider allows the user to add their card into the Apply Pay wallet.
Digital cheque imaging	This function enables the user to pay in cheques using their mobile app. The user typically takes a photo of the cheque and submits it using the app, along with the amount and the details of the payee.
Fitbit Pay	The issuer of the account / the service provider allows the user to add their card into the Fitbit Pay wallet.



Garmin pay	The issuer of the account / the service provider allows the user to add their card into the Garmin Pay wallet.
Google Pay	The issuer of the account / the service provider allows the user to add their card into the Google Pay wallet.
HCE (payments)	The app has a proprietary mobile payments functionality that allows the user to pay using the app at an NFC terminal.
Make P2P payments	The user can make person-to-person payments either using the payee's mobile number or to other app users.
Pay existing payees	The user can transfer money to a payee whose details have already been added and saved to the account. The user therefore typically only needs to state the amount and a transaction reference.
Pay someone new	The user can add and save the details of a payee to enable them to "pay someone new" or make a one-off payment to a new payee.
PayByBank support	The user can initiate a payment using the PayByBank service to settle with a merchant or third party.
Payment request	Allows the user to request a specified amount of money using a unique personal link that can be sent to friends / family allowing them to make a payment to the user's account.
Samsung Pay	The issuer of the account / the service provider allows the user to add their card into the Samsung Pay wallet.
Send money abroad	The user can send money to foreign countries in the domestic currency of that country. Must include Europe and some other major countries outside of Europe (e.g. China, India, USA, Canada & Australia).

## Technology



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Feature	Description
3rd party	The app supports the bringing in and viewing of balances from a user's
balances	accounts held at third parties.
3rd party	The app supports the bringing in and viewing of transactions from a user's
transaction	accounts held at third parties.
history	
Apple Watch	The mobile app is supported on Apple watch and thereby a user can use certain banking app functionality on their Apple Watch such as view balances and transactions.
Chatbots	The user can engage with the bank via a chatbot which simulates human conversation, or chat, through artificial intelligence thereby responding to customer queries.
Credit cards aggregated	The app supports the bringing in of account details of third party credit card providers.
Current accounts aggregated	The app supports the bringing in of account details of third party current account providers.
IFTTT integration	The app integrates with If This Then That (IFTTT) applets.
Marketplace functionality	The app has marketplace functionality allowing the user to experience a wider ecosystem by integrating with a range of products and services from other providers (more than generic web links or voucher codes).



Marketplace: Charity	The app offers the user access and integration to charitable services. E.g. sending money to charity.
Marketplace: Financial health	The app offers the user access and integration to products or services related to a user's financial health. For example, information on a customer's credit score.
Marketplace: Insurance	The app offers the user access and integration to insurance related products or services e.g. home, travel, device.
Marketplace: Lending / credit	The app offers the user access and integration to lending / credit products or services.
Marketplace: Loyalty / receipts	The app offers the user access and integration to products or services related to receipts or loyalty which can be added within the app. E.g. Avios, Flux
Marketplace: Other	App offers user other services which are not captured in other marketplace features such as Crypto, Concierge, Lounge Access etc.
Marketplace: Pensions	The app offers the user access and integration to pensions products or services.
Marketplace: Savings / Investments	The app offers the user access and integration to savings / investment products or services.
Marketplace: Stock / trading	The app offers the user access and integration to stock /trading products or services.
Marketplace: Utilities	The app offers the user access and integration to utilities products or services.
Multiple devices	A user is not restricted to using the app on only one device.
Other accounts aggregated	The app supports the bringing in of account details of third party providers offering services aside from credit cards and current accounts (such as pensions, savings, PayPal etc.)
Samsung Gear	The mobile app is supported on Samsung wearable devices and thereby a user can use certain banking app functionality on their Samsung device such as view balances and transactions.
Voice assistants	The user can perform some app functionality using a voice assistant (Siri or Amazon Alexa) such as make a payment or ask for balance.
Wear OS	The mobile app is supported on Android wearable devices and thereby a user can use certain banking app functionality on their Android device such as view balances and transactions.
Widgets	The app allows the user to enable a widget (extension) that resides on any available home screen for quick access.

## Security & control



Feature	Description
(Un)freeze card	The user can put a temporary block on their card which prevents payments being made using the card details.
Activate card	The user can activate a new or replacement card within the app.
Add merchant to whitelist (SCA)	The user can add a merchant(s) to a trusted whitelist to exempt future transactions being subject to SCA.



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Consent dashboard	The user can review, authorise, manage, and revoke consent for third party access to their account.
Customise text alerts	The user can set up alerts that notify them via SMS of their account activity such as reaching overdraft limits etc.
Face ID	The user can log in using Face ID i.e. authentication using facial/iris recognition technology.
Log out settings	The user can define / control the log out settings e.g. log out after 1 minute of inactivity.
Manage devices	The app supports use on multiple devices and the user can authorise / register additional devices or deactivate / switch to new devices.
Manage merchant whitelist (SCA)	The user can view and delete merchant(s) on their trusted whitelist (which exempt future transactions being subject to SCA).
Privacy mode	The user can put the app in 'discreet mode'. This would disguise the user's data e.g. scrambling data or blurring detail.
Report lost and stolen	The user can report to their issuer that their card has been lost or stolen and order a replacement.
Reset contactless counter	The app enables the user to reset the contactless counter as they approach the SCA transaction limit.
Touch ID	The user can log in using touch ID i.e. authentication using their fingerprint biometrics stored to the device.
Transaction controls	The user can control (by switching on or off) the transaction types that their card can be used for such as card not present and ATM transactions.
Unblock PIN	The user is able to remove a block from their PIN.
Voice ID	The user can log in using their voice biometrics.



# **AISP FEATURES**

## **Budgets**



Feature	Description
Customise account view	The app allows the user to choose which accounts are included in summary view (e.g. the ability to reorder, show or hide certain accounts and/or specify account type).
Exclude transactions from budgets	The app allows the user to exclude non-relevant transactions from budgets.
Set & track budgets (TPAs)	The app allows the user to set and track budgets on third party accounts added into the app.
Split categorisation	The user can 'split' the transaction to be able to categorise two (or more) amounts differently.
Receipts & notes (TPAs)	The user can add information to individual transactions on third party accounts such as attaching a digital or photographed receipt, tags or notes.

## **Engagement**



Feature	Description
<b>Enable screenshots</b>	The app enables the user to take screenshots whilst in an active session.
Update contact details	The user can update the contact information of the account holder such as address & contact details.
Call customer services	The user can find the contact details for the provider and call them directly from within the app, without having to type the number into their handset.
Chat history	The app stores the previous chat(s) or messaging history so the user has a record or can continue a conversation.
Live chat	The user can contact the provider via an instant messaging service hosted within the app.
Search FAQs/Help	The user can search FAQs and help content in the app.
Share account details	The user has the ability to seamlessly capture their account number and sort code to send to a recipient (this can be copied into a clipboard or shared through native messaging services).
Share account details (TPAs)	The user has the ability to seamlessly capture their account number and sort code from third party accounts to send to a recipient (this can be copied into a clipboard or shared through native messaging services).
Share transactions	The user can share transactions with other users of the App which creates a shared tab of transactions that can be settled, added to or removed.
Privacy mode	The user can put the app in 'discreet mode'. This would disguise the user's data e.g. scrambling data or blurring detail.



Chatbots	The user can engage with the bank via a chatbot which simulates human conversation, or chat, through artificial intelligence thereby responding to customer queries.
Voice assistants	The user can perform some app functionality using a voice assistant (Siri or Amazon Alexa) such as make a payment or ask for balance.
Widgets	The app allows the user to enable a widget (extension) that resides on any available home screen for quick access.

## Insights



Feature	Description
Upload & store documents	The user can upload files within the app to a secure cloud environment.
Travel notification	The user can notify the provider of travel plans, allow location-based services or informs the user that no action is necessary to travel abroad.
Bill and subscription tracker (TPAs)	The user is able to track and monitor their regular bills and subscriptions on third party accounts, by separating repeating payments (e.g. providing insight on changes to amounts).
Categorisation (TPAs)	The app categorises a user's transaction data from third party accounts to enable a user to view their transaction data through different lenses such as aggregated by category of spend (groceries, lifestyle) or by retailer.
Fast balance	The app provides the user with the ability to find out their balance without logging in to the app.
Presentation (TPAs)	The user can view insights on their spending on third party accounts in the form of graphs, charts or imagery. Transactions are presented with merchant logos, google maps data or category icons.
Projections (TPAs)	The app provides projections (see definition) for third party accounts the user has added to the app.
Push notifications	The app provider sends the user activity notifications to their devices (i.e. a pop-up message).
Search transactions (TPAs)	The user can search their transaction history on third party accounts, using defined criteria.
Tailored insight	The app provides user-specific insight, prompts or reports based on their account behaviour (e.g. travel reports, upcoming subscriptions, changes to regular payment amounts).
Tailored insight (TPAs)	The app provides user-specific insight, prompts or reports based on their account behaviour on third party accounts.
Transaction feedback	The app gives the option (within the details of a transaction) to provide feedback on that specific transaction to the app provider. This will include for example, whether the retailer logo or location is incorrect. Feedback is specific to the transaction and not generic app feedback.
View credit score	The user is provided with information about their credit score.



## Integration



Feature	Description
3rd party balance aggregation	The user can add and view the balances from accounts held with other providers, which are aggregated across all accounts.
3rd party transaction aggregation	The user can add and view the transactions from accounts held with other providers which are aggregated across all accounts.
3rd party balances	The app supports the bringing in and viewing of balances from a user's accounts held at third parties.
3rd party transaction history	The app supports the bringing in and viewing of transactions from a user's accounts held at third parties.
Credit cards aggregated	The app supports the bringing in of account details of third party credit card providers.
Current accounts aggregated	The app supports the bringing in of account details of third party current account providers.
IFTTT integration	The app integrates with If This Then That (IFTTT) applets.
Marketplace functionality	The app has marketplace functionality allowing the user to experience a wider ecosystem by integrating with a range of products and services from other providers (more than generic web links or voucher codes).
Marketplace: Charity	The app offers the user access and integration to charitable services. E.g. sending money to charity.
Marketplace: Financial health	The app offers the user access and integration to products or services related to a user's financial health. For example information on a customer's credit score.
Marketplace: Insurance	The app offers the user access and integration to insurance related products or services e.g. home, travel, device.
Marketplace: Lending / credit	The app offers the user access and integration to lending / credit products or services.
Marketplace: Loyalty / receipts	The app offers the user access and integration to products or services related to receipts or loyalty which can be added within the app. E.g. Avios, Flux
Marketplace: Other	App offers user other services which are not captured in other marketplace features such as Crypto, Concierge, Lounge Access etc.
Marketplace: Pensions	The app offers the user access and integration to pensions products or services.
Marketplace: Savings / Investments	The app offers the user access and integration to savings / investment products or services.
Marketplace: Stock / trading	The app offers the user access and integration to stock /trading products or services.
Marketplace: Utilities	The app offers the user access and integration to utilities products or services.
Other accounts aggregated	The app supports the bringing in of account details of third party providers offering services aside from credit cards and current accounts (such as pensions, savings, PayPal etc.)



## **Moving money**



Feature	Description
Group savings	Users can add money to a group savings pot.
Round-ups	This feature rounds up a user's card spend and moves it to a savings pot / account.
Rule-based transfers	The user can initiate rules that move money on a recurring basis. E.g. when salary is received money will automatically move into 'bills' or 'savings' pots.
Savings goals	The user can save money by putting specified amounts into "pots" within their current account. Once in a "pot" that money is protected from daily spending. Money can be moved easily in and out by the user.
3rd party payment initiation	The user can initiate a payment from one of their added accounts held with another provider.
Make P2P payments	The user can make person-to-person payments either using the payee's mobile number or to other app users.
Pay existing payees	The user can transfer money to a payee whose details have already been added and saved to the account. The user therefore typically only needs to state the amount and a transaction reference.
Payment request	Allows the user to request a specified amount of money using a unique personal link that can be sent to friends / family allowing them to make a payment to the user's account.

# Personalisation -



Feature	Description
Personalise content	Aspects of the mobile experience can be "personalised" by the user such as uploading a profile picture or adding a greeting message.
Rename accounts	The user can rename and relabel the account names displayed in the app.
App shortcuts	The app provides shortcuts to some functionality within the app by clicking on the app icon e.g. freeze card or make payment.
Contextual shortcuts	The user is provided a shortcut to complete an action based on the app context (e.g. Clicking a recent 'payment out' they could make another payment to that recipient, be provided an option to recategorise, split the payment, dispute the transaction or transfer money etc).
Create a category	The user is able to create their own category in which they can assign transactions.
Customise notifications	The user can turn on or off push notifications (described above) or choose to only receive certain types or category of push notifications.
Reassign category	The user can reassign the category of a transaction (e.g. from eating out to entertainment).



# Security 🔓

Feature	Description
Face ID	The user can log in using Face ID i.e. authentication using facial/iris recognition technology.
Log out settings	The user can define / control the log out settings e.g. log out after 1 minute of inactivity.
Manage devices	The app supports use on multiple devices and the user can authorise / register additional devices or deactivate / switch to new devices.
Touch ID	The user can log in using touch ID i.e. authentication using their fingerprint biometrics stored to the device.
Voice ID	The user can log in using their voice biometrics.
Multiple devices	A user is not restricted to using the app on only one device.



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