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A Conversation with Peter Kalen, Founder and CEO of Flexiti Financial

We recently had the opportunity to speak with Peter Kalen founder and Chief Executive Officer of Flexiti Financial. In this Q&A we discuss the evolution of Flexiti Financial, trends in the Canadian retail sales finance market, the company's value proposition, and growth opportunities in the market.

Peter Kalen is a seasoned retail credit executive. His banking experience includes Canada Trust and Citibank Canada (Citi Cards Canada) where he was Senior Vice-President and Chief Marketing Officer. At Citibank, Peter... More

The Evolving World of eCommerce Payments

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Q2 2017: U.S. Credit Card Issuer Snapshot

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Mobile Banking, A Payments Channel

Fifty-eight percent of U.S. smartphone users have downloaded a mobile app for their primary checking account, and 50% of U.S. smartphone users (including 68% of those under 35 and 31% of those 55 and over) are active users. 75% of mobile banking users log in weekly, primarily to check their balances/transaction history.

These figures are among the findings from the latest edition of our ongoing Study on Mobile Banking & Payments, which tracks consumer adoption of mobile banking and payments. Findings are based on results from an April... More

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Peter Kalen is a seasoned retail credit executive. His banking experience includes Canada Trust and Citibank Canada (Citi Cards Canada) where he was Senior Vice-President and Chief Marketing Officer. At Citibank, Peter worked closely with Petro-Canada to launch the Citibank Petro-Points Mastercard, the first major launch of a contactless credit card in Canada. Peter also managed the marketing for credit card programs with retail partners such as Staples, Ikea, Costco, and The Home Depot. He also worked for President's Choice Financial and Sears Canada where he was Executive Vice-President of Financial and Home Services. In addition to Financial Services, Peter managed Sears Travel, Warranties, Sears Connect Telecom Services, Specialty Services (such as Sears Portrait Studios and Sears Optical), and Sears Home Services.

Peter obtained his Honours Business Administration (H.B.A.) and Master in Business Administration (M.B.A.) from Ivey Business School at Western University.

Flexiti Financial is a Canada-based sales financing company founded in 2013. The company's mission is to become the leading provider of point-of-sale financing and payment solutions for businesses across Canada. Flexiti's vision is to help its partners in the retail, health, and home improvement sectors offer flexible sales financing solutions to sell more while helping consumers enjoy the things they need and want sooner.

1. **What led you and your team to launch Flexiti Financial? Can you describe the evolution of the company – the management team, investors, etc.?**

   In the lead-up to the global credit crisis of 2008, there were a number of large players in consumer lending. In the midst of the crisis, between 2009 and 2012, all of these players either exited the market or dramatically curtailed their activity in Canada. Their departure created a large void, estimated at approximately $7 billion in receivables, and caused a significant shortage of sales financing supply for small and medium-sized retailers.

   Flexiti Financial was founded and our unique mobile delivery platform was developed to take advantage of this market opening. Our first seed investor was Anthony Lacavera, Chairman of Globalive Capital and founder of Wind Mobile in Canada. Globalive has continued to invest in every funding round alongside several distinguished Canadian private investors. Our primary source of lending capital is currently a Canadian private debt fund and we are in discussions with several institutional investors to supplement that facility, given our rapid pace of growth.

   For me, the opportunity to launch a business in a space I knew so well was something I couldn't pass up. I have been in retail and credit my whole career, and possess a strong entrepreneurial drive. Flexiti was the right opportunity at the right time in terms of starting a company to address a growing market need.

2. **What needs or trends did you see in the Canadian market that you felt were not being addressed by other retail credit options?**

   In my view, large financial institutions offering point-of-sale (POS) financing were slow to adapt to consumer needs and wants, and/or adopt the technological advancements available to them. Critically, the retailer or their customers were not being put at the center of the POS financing experience. Applications were, and in some cases still are, paper-based, which requires manual entry by a customer and then re-entry into a system by a salesperson. Application approval times at best were 15-45 minutes, but could take hours or even days, leaving both a customer and a salesperson in the dark on whether financing would be available to facilitate the sale. Financing terms and conditions were often tied to rigid policies and procedures, rather than built to support the pace and needs of retail. In short, the legacy process was slow, cumbersome, intrusive, and, given the low risk tolerance of providers, did not always result in sale. As a result, POS financing as a sales tool was seen as a last resort and a missed opportunity. To bring POS financing to the forefront of the sales process, where it should be, Flexiti believed that the model needed to be flipped on its head.

3. **At the most fundamental level, what is Flexiti Financial's core product/service and the underlying value proposition to merchants and consumers?**

   First and foremost, we want to be seen as an extension of the retailer's business and service model to help them increase sales. Building a strong partnership with our retail partners through exceptional customer service and an inherent understanding of their day-to-day business realities is key for us.

   Our platform allows retailers to offer instant financing through any device, anywhere, and obtain an instant credit approval in three minutes. This is done using a mobile application process and ID scanning technology. Flexiti Financial's advanced algorithms and customer service are able to confidently approve more people and thus generate more sales at a time when both the customer and the retailer need a solution.

   With Flexiti, retailers can also offer customized payment options at interest rates significantly below current credit options on the market.

   We offer the following features:

   - **Speed and Ease of Application:** Customers can apply in-store or at home and get instantly approved
   - **High Approval Rate:** More closed sales and higher customer satisfaction
   - **Scalable Infrastructure:** Our platform can adapt to any type of retailer across multiple locations
   - **Strong Customer Service:** Customized and aligned with retailer on driving a differentiated sales and service experience

   Customers can choose flexible payment plans with varying interest rates. We also offer a virtual QR code that can be transferred via cell phone, allowing customers to have their Flexiti Financial line of credit always accessible.

   The combination of these features builds the confidence of the sales representatives, meaning they are using financing as a tool to grow basket size and close more sales, rather than only for those that proactively ask "if financing is available."

   Overall, we are seeing great traction and have received some notable recognition. Our platform and services were recently named Best Emerging Consumer Lending Platform by LendIt, which recognizes Flexiti Financial's platform as having great potential to impact the future of consumer lending. Already, approximately 10,000 customers use our financing services in over 1,500 retail locations, so our unique offering is clearly resonating with customers, retailers, and the payments industry.

4. **What type of merchant (e.g., size, average ticket, retail segment, type of financing opportunity, store or digital player) would find the most value in the Flexiti Solution?**

   Our merchants are typically those with a physical retail space that sell large-ticket items like furniture, appliances, jewelry, outdoor equipment, etc. Average ticket size is around $3,000. In many cases, the purchase decision is made quite quickly and so retailers need a solution to instantly capture a customer's intent to buy.

5. **Where is Flexiti in terms of platform technology roadmap, scalability of the platform, its funding capacity, and ability to take on larger merchants?**

   To expand on various product features in our offering and allow the company to serve a broader customer base, we led a significant systems migration in November 2016 to a proprietary private label credit card platform. It is a modern and flexible system that allows us to react at the pace of our retail partners. Our mobile application communicates with our adjudication and back-end system through API's, making it very flexible. We are fully scalable and currently count large merchants with multiple locations as our customers.

6. **How should merchants think about the implementation of the Flexiti solution across channels? Can you give us an indication of time, effort, and the level of resources required for a Flexiti partner?**

   We want to be seen as a real partner to retailers and an extension of their business. We needed to build a solution that could be up and running with minimal investment from a merchant. To achieve this, we built our platform to limit any technical integration with the retailer's POS or back-end systems, which makes it very easy to plug Flexiti in and start using our financing services with little to no technical customization. Our training and support staff will work with the retailer's sales team to get them up to speed on how to use our platform not only from a technical perspective, but also as a sales tool. Based on the number of locations or size of a sales team, retailers can be up and running within a couple of weeks.

The Evolving World of eCommerce Payments

By Jeremy Light

Since the first eCommerce transaction in 1994, eCommerce has grown rapidly, impacting the way we shop today and leading to the formation of a whole new industry of eCommerce businesses and support services. Global eCommerce reached $1.9 trn in 2016, and is poised to grow at ~19% CAGR up to 2020[1].

Advances in technology have led to the proliferation of alternative payments methods, which are making financial interactions easy, quick and secure. Examples include Ideal, Sofort, PayPal, and Klarna. According to Worldpay, there are over 300 different types of payment methods used in eCommerce.

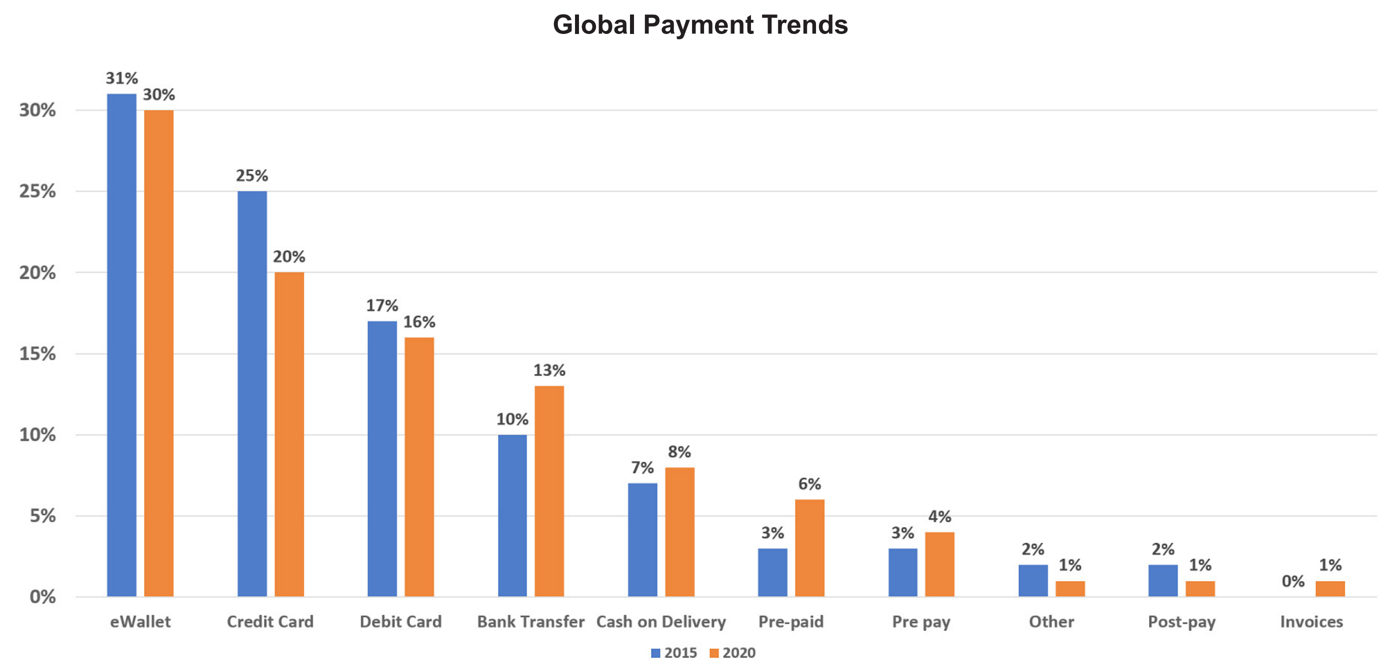
The Challenge—a fragmented market unsuited to merchant needs

Traditional merchant acquiring is physical—with POS and PEDs (pin entry devices) in shops—and it is also local. Traditional merchant acquirers have been slow to develop or acquire their own digital capability, or if they have a payment gateway, it is typically separate to their core POS services with little integration. However, to tap the full potential of global eCommerce and mCommerce, acquirers need to support a single, seamless, multi-channel, multi-payment type, multi-country payment service across the full payment value chain, to support all the payment needs of their merchants and their merchant's customers.

There are few if any payment service providers who can do this on a truly global basis. As a result, payment companies are focussed on M&A and partnerships to acquire country and technology capability, and to invest in new technology and new business models.

Strategic actions to provide a full, global, multi-channel payments service

Across the eCommerce value chain organisations include merchants, payment gateways, merchant acquirers, processors, payment networks and issuers of payment instruments. Each faces difficulties in creating a global payment strategy due to the diversity of requirements on the demand side and fragmentation of capabilities on the supply side.



Source: Worldpay Global Payment Report 2016.

For merchants, payments have become strategic. M&A and tactical initiatives in the past have often led to the use of different gateways and merchant acquirers by different parts of the business. This combined with ageing POS estates and new regulation such as PSD2 presents an opportunity for merchants to rationalize and consolidate their payment providers, and seek improved analytics and other payment capabilities.

For payment gateways, defining their target markets is critical in terms of geographies and merchant segments. Key strategic considerations include whether to go to market direct-to-merchant or through merchant acquirers; the alternative payment methods to support (typically, only a small number are used in a particular geography, despite over 300 globally); the provision of POS services, to enable merchants to operate seamlessly with online; and the network of merchant acquirers they support.

For merchant acquirers, building an integrated POS and eCommerce capability is paramount. Merchant acquiring is still mainly a domestic business, due to the physical nature of selling, implementing and maintaining a POS network, but as eCommerce grows, as merchants become cross-border businesses and consumers become international (e.g. tourists and expats from China), merchant acquirers need to determine their cross-border and eCommerce strategies carefully.

Processors, networks and issuer businesses are dominated by cards. However, the alternative payment methods to cards are emerging rapidly, with strong adoption in eCommerce, which itself is displacing POS retail sales. Processors, networks and issuers need to set strategies that capture alternative payment volumes and which reposition their cards business for digital commerce.

Setting a payment strategy for eCommerce is critical. The business of retail is undergoing a seismic shift to eCommerce, substituting in-store for digital purchases and generating complex consumer interactions that cross both channels, with significant implications and opportunities for the business models of all organizations in the value chain. As these implications play out, it will be exciting to see how eCommerce players navigate through these dynamic times.

[1]https://www.emarketer.com/Article/Worldwide-Retail-Ecommerce-Sales-Will-Reach-1915-Trillion-This-Year/1014369

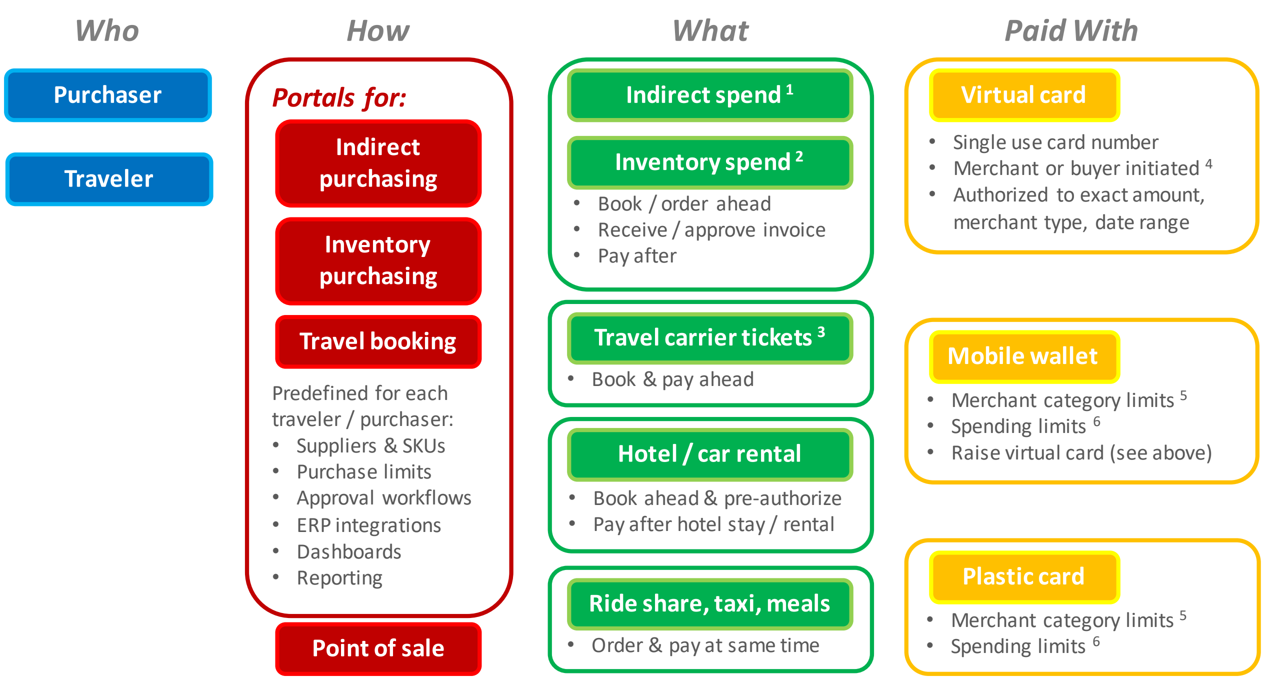
Originally released on Accenture Banking Blog, June 7th, 2017, http://bankingblog.accenture.com. Jeremy Light is the Managing Director of Accenture Payment Services in Europe, Africa, and Latin America.

Unlocking a $5 Billion Commercial Card Prize for Issuers: Business Process Optimization Holds the Key to a Shift from Rebates

By Frank Martien & Tom Skomba

At a typical 1% level of rebates (akin to cash back for consumer and business cards) on card spend for corporate travel and purchasing, including virtual card spend, we project U.S. commercial card issuers' rebate payments to their clients to reach $5 billion annually in the next year. For prospect stakeholders looking to show tangible benefits to their organization, the amount of rebate offered can, and often does, pose a strong determinant when selecting an issuer, even when commonly accepted estimates of the savings a client can achieve by purchasing goods and services "on-contract" (i.e., purchasing from an approved supplier with whom terms have been negotiated) range from 4-15% and organizations can achieve significant process savings, often estimated at $10 or more per completed purchase, through automating corporate travel and purchasing work flows.

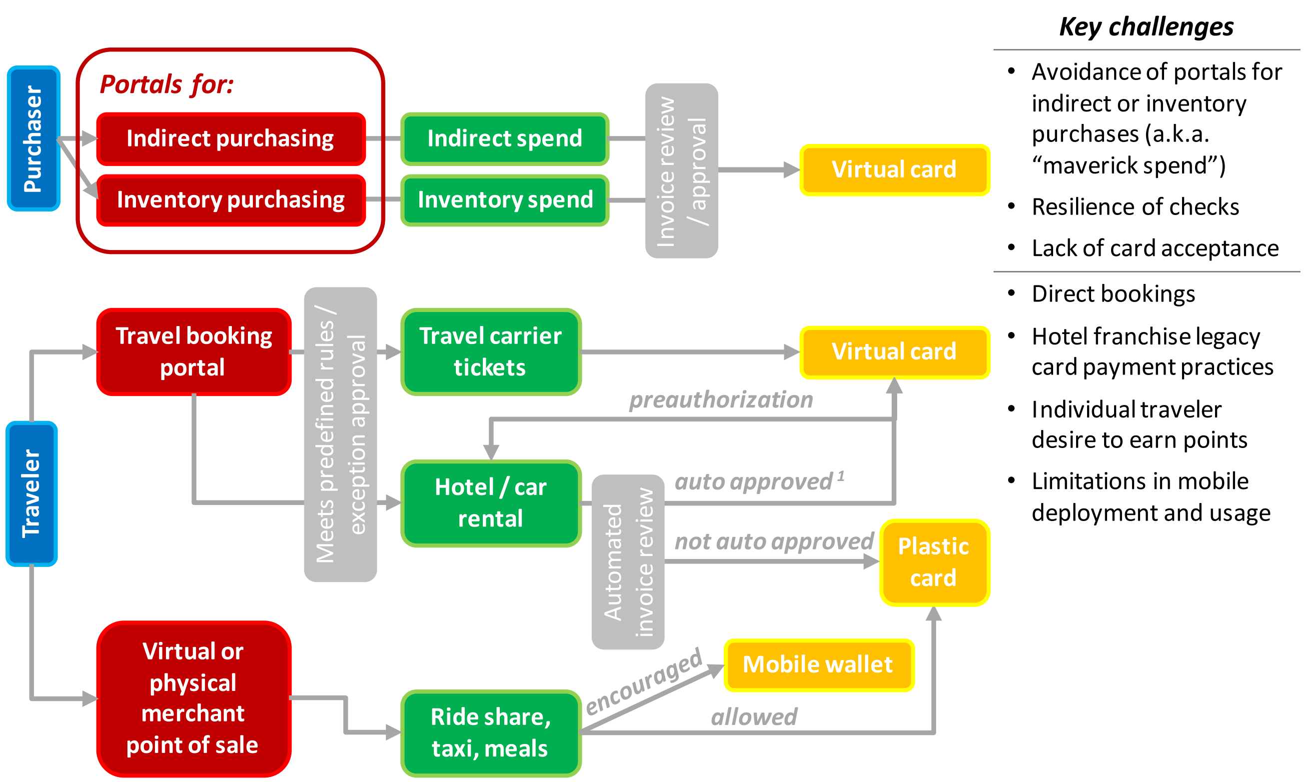
Figure 1: Key Components for B2B Purchasing Automation with Cards



[1] Office suppliers, parcel delivery, and other miscellaneous business expenses that are not included in cost of goods sold. [2] For purchase of inputs into cost of goods sold. [3] Such as airfare or train tickets. [4] With a merchant initiated transaction, a card number is provided to a merchant to input the card number in a physical or virtual card terminal. For a buyer initiated transaction, the buyer requests a merchants' card acceptance depository account details in advance and the buyer inputs the card number to initiate a transaction into this card acceptance account. [5] For example, can only complete transactions at merchant types A, B, and C – or – may not complete transactions at merchant types D, E, or F. [6] For example, cannot exceed X dollars per transaction, Y transactions per day, or Z transactions per billing cycle.

Source: Accenture observations.

Figure 2: Preferred Purchasing Approaches



[1] Contemplates potential for a split purchase wherein auto approved items on a hotel folio bill or car rental invoice are settled via a virtual card with the remaining amount of purchase settled with a plastic card.

Source: Accenture observations.

While issuers have sought for many years to show clients the aforementioned on-contract and process savings vastly exceed rebates, these benefits have often been ascribed to internal efforts or third-party solutions, fostering a perception of cards as a commodity and reinforcing prospect emphasis on rebates. Conditions may now be ripe for a shift and for cards to be in a position to receive the credit. Amidst a preponderance of disruption and market innovation, we observe a path for card issuers to be the "tip of spear" for relevant business process optimization and to differentiate themselves as providers and advisors, shifting the conversation from rebates to value-add.

We see several prominent disruptors launching commercial cards into the new:

- B2B payments specialists are developing or integrating with different front end purchasing and accounts payable automation to deepen card's reach and visible impact to clients.
- Commercial card payment networks and issuers are opening up access to APIs to allow client organizations to integrate network / issuer-delivered capabilities with their existing accounts payable and ERP environments and develop 'best fit' client solutions with the issuer as facilitator and advisor.
- Electronic invoicing providers are expanding from reliance on electronic bank transfers, such as ACH in the U.S., into virtual cards with card issuers and networks providing the financial backing to more profitably scale and the client-facing front-end relationships to deliver enhanced solutions to clients, including integration into buyer / supplier networks.
- Interchange rules in Europe have encouraged commercial card issuer promotion of and investment in exempted centrally billed virtual card solutions to replace a portion of their clients' spend heretofore completed through non-exempt, individually billed corporate travel cards. These solutions, while often with distributed applications, can help centralize spend management and leadership oversight.

Within client organizations, these and other trends, evidenced through numerous recent innovation-related announcements by commercial card networks and issuers, could support CFOs, CPOs, and other organizational decision makers in driving a more coordinated and user-friendly pursuit of business process automation for corporate travel and purchasing. Figure 1 illustrates several key components for this card-based automation.

Recognizing the particular optimal approach may depend on the client's business needs. Figure 2 provides a simplified example, from a client's perspective, of a potential client-tailorable, future state of preferred purchasing approaches and key challenges or impediments to reaching such a state.

Harnessing the ongoing market shifts, commercial card issuers may have an increasing repertoire of capabilities to deploy in helping clients automate processes in a manner that works best for them, advance preferred vendor, controls, limits, and approval work flows that occur prior to initiation of a transaction and deliver upon reporting and analytics thereafter. Up to $5 billion may be at stake for issuers from rebates alone as a more tangible emphasis on cards' value could help shift the focus from being rebate-centric to more of a process automation and contract management / savings discussion. If issuers can seize the moment to clearly articulate and deliver cards' value-add this may in turn help drive further adoption of cards in B2B with even greater potential for issuers and their clients.

For more information, please contact Frank Martien, Managing Director, frank.martien@accenture.com; and Tom Skomba, Consultant, tom.skomba@accenture.com. Both specialize in Commercial Payments and Bankcard Issuing.

Q2 2017: U.S. Credit Card Issuer Snapshot

Key Themes

- U.S. card issuers reported continued, strong growth in most credit card segments
- Each bank had year-over-year growth in receivables, led by Citi, American Express, Chase, and Capital One
- Purchase volume also continued to increase, with Citi, Chase, Bank of America, and US Bank reporting the highest growth rates
- Loss rates increased modestly across the board except for American Express, driven by normalization and credit expansion, however loss rates remain relatively low; some banks are pointing to flat or lower loss rates in coming quarters
- Returns continued to decline due to rising loss rates, rewards costs, and marketing costs
- Banks are pointing to FinTechs as providing growth opportunities, and generally see a healthy outlook for the economy
- The intense degree of competition is expected to continue to require substantial investment in marketing and rewards
- Digital and mobile remain important areas of investment, with some banks mentioning higher purchase volume in these channels

Industry Trends (Based on Non-Retail Card Issuers in Scorecard Section)

	Receivables ($B)	Purchase Volume ($B)	Net Loss Rate	After-Tax ROA[1]
Weighted Avg.[2]	$632	$555	3.21%	2.4%
YoY Change[3]	↑ 6.0%	↑ 10.7%	↑ 43 bps	↓ -51 bps
QoQ Change[4]	↑ 3.0%	↑ 11.8%	↑ 4 bps	↑ 25 bps

[1] After-Tax ROA excludes Wells Fargo, Chase, Bank of America and US Bank. Credit specific income not reported. [2] Total receivables for non-retail issuers at end of 2Q17; Total purchase volume of non-retail issuers in 2Q17. [3] YoY = Year-over-year change versus 2Q16. [4] QoQ = Quarter-over-quarter change versus 1Q17.

Notable Happenings

Partnership Renewals:

- American Express and Hilton renew credit card partnership
- Chase and Hyatt extend credit card partnership

New Partnerships:

- Alliance Data announced a partnership with Signet Jewelers and will acquire existing card portfolio
- Synchrony launches new private label program with zulily
- Navy Federal Credit Union and American Express agree to launch a new rewards credit card

New Products/Features:

- American Express OPEN introduces new Blue Businesss Plus Credit Card
- Amazon introduces Prime Reload (2% back on debit purchases)
- Banks unveil Zelle P2P payments platform

Mobile:

- UBS launches mobile payments app Twint
- Walmart introduces "apply and buy" credit card functionality in mobile app

Issuer Scorecard – Q2 2017 ($ in Billions)

Issuer	A/R ($B) 2Q17	Change (vs. 2Q16)	Change (vs. 1Q17)	Purchase Volume ($B) 2Q17	Change (vs. 2Q16)	Change (vs. 1Q17)	Net Loss Rate 2Q17	Change (vs. 2Q16)	Change (vs. 1Q17)	After-Tax ROA 2Q17	Change (vs. 2Q16)	Change (vs. 1Q17)
Chase[1]	$140.1	6.5%	3.8%	$156.8	15.3%	12.2%	3.01%	31 bps	7 bps			
Citigroup[2]	$130.8	8.3%	3.5%	$101.1	38.1%	13.1%	3.57%	73 bps	-3 bps	2.22%	-75 bps	14 bps
Capital One[3]	$92.9	4.8%	1.9%	$75.8	6.7%	13.2%	5.11%	104 bps	-3 bps	2.10%	-5 bps	91 bps
Bank of America[4]	$90.8	3.0%	2.5%	$61.7	8.8%	11.5%	2.87%	21 bps	13 bps			
Discover[5]	$61.8	8.0%	3.4%	$32.2	4.8%	10.4%	2.94%	55 bps	10 bps	2.60%	-35 bps	0 bps
American Express[6]	$59.6	8.0%	3.5%	$84.8	-9.2%	9.4%	1.50%	-10 bps	-20 bps	2.98%	-91 bps	-25 bps
Wells Fargo	$35.3	3.4%	1.6%	$20.0	3.2%	11.6%	3.67%	42 bps	13 bps			
US Bank[7]	$20.9	1.4%	2.3%	$23.0	7.9%	9.6%	3.97%	58 bps	27 bps			
Retail Card Issuers												
Synchrony[8,9]	$51.4	10.1%	3.1%	$27.1	6.7%	18.1%	4.25%	46 bps	0 bps	2.20%	-20 bps	-10 bps
Citi[2]	$45.2	4.4%	2.3%	$20.6	2.5%	21.9%	5.31%	89 bps	65 bps			
Alliance Data[10]	$15.7	16.5%	0.4%	$7.5	5.9%	14.2%	6.20%	110 bps	-10 bps			

[1] Chase no longer discloses an ROA measure directly attributable to Card Services. [2] Citi: Purchase volume includes cash advances. [3] Capital One: U.S. card business, small business, installment loans only. Purchase volume excludes cash advances. [4] Bank of America: Receivables, purchase volume, and net loss rates are for U.S. consumer cards. ROA estimate is discontinued. [5] Discover: includes U.S. domestic receivables and purchase volumes only. Restated: ROA reflective of Direct Banking segment (credit card represents ~80% of loans) and implied U.S. Cards tax rate of ~40%. ROA denominator estimated from total loans ended totals. [6] American Express: Changed reporting method as of 1Q16. Figures are for U.S. Consumer segment only and exclude small business. After-tax ROA adjusted to exclude gain related to Costco sale and restructuring expense. [7] US Bank: Purchase Volume restated to exclude commercial volume. Income attributable to Payments Services totaled $274M as of 1Q17, compared to $287M in 1Q16; Payments Services includes revenue from consumer credit cards, as well as commercial revenue and other sources.
[8] A/R and PV for Retail Card unit only. [9] Loss rates and ROA include all of SYF's business lines (i.e., Retail Card, Payment Solutions, and CareCredit). Retail Card accounts for about 70% of total receivables.
[10] Average Receivables.

For more information, please contact Paul Sammer, Manager, paul.sammer@accenture.com, specializing in Credit Card Issuing.

Mobile Banking, A Payments Channel

By Melissa Fox, Emma Causey, Chris Razzano, & Caleb Marley

Fifty-eight percent of U.S. smartphone users have downloaded a mobile app for their primary checking account, and 50% of U.S. smartphone users (including 68% of those under 35 and 31% of those 55 and over) are active users. 75% of mobile banking users log in weekly, primarily to check their balances/transaction history.

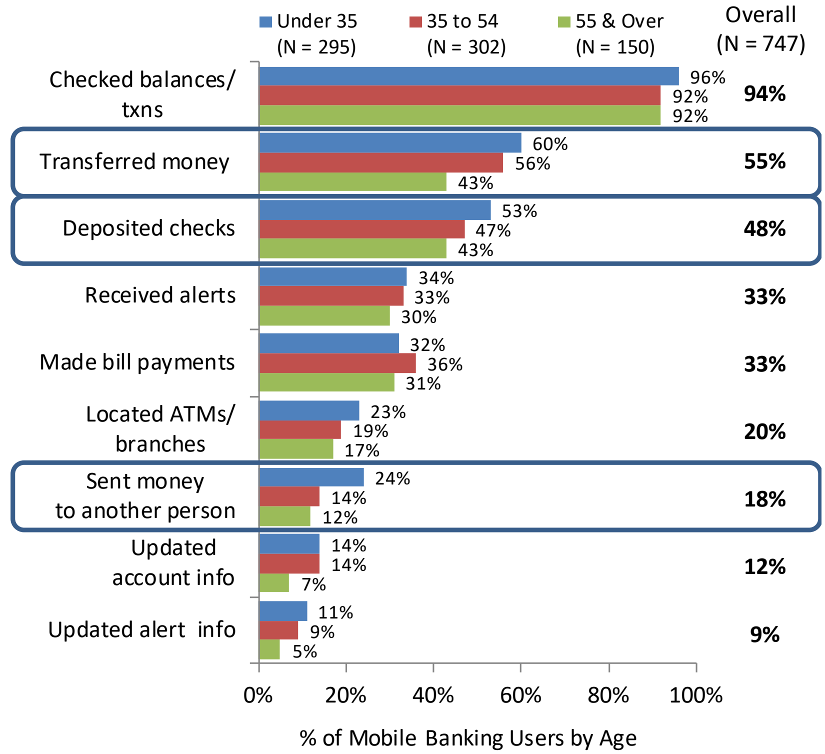
These figures are among the findings from the latest edition of our ongoing Study on Mobile Banking & Payments, which tracks consumer adoption of mobile banking and payments. Findings are based on results from an April 2017 survey of 1,503 U.S. consumers, age 18 and over, who have a smartphone and a banking relationship.

Findings from the study suggest that:

1. **Mobile banking is expanding from a passive monitoring channel to an active transaction channel.**
   - The primary reason consumers log in to mobile banking is to check their balances and/or transaction history, cited by 95%+ of mobile banking users.
   - Younger mobile banking users demonstrate a greater willingness to transact via mobile banking, however: they are more likely than older consumers to have deposited checks, transferred funds, and sent P2P payments (see Figure 1).
2. **FI-backed Zelle is well-positioned to compete against non-bank incumbents in the P2P space.**
   - More than half (54%) of respondents say they have made a mobile P2P payment in the last year, primarily using a non-FI service.
   - PayPal has the highest reported adoption among non-FI services, followed by Western Union, although Venmo ranks #2 for those under 35.
   - Zelle will likely help FIs deliver many of the capabilities desired by customers:
     - The most frequently cited improvements to FI P2P services are faster funds transfers and easier payee identification and setup.
     - Security and ease of use are the most important factors when making P2P payments, followed by easy transfer of funds to/from a bank account and speed of payment (see Figure 2).
   - Apple Pay and Venmo have announced extended capabilities that attempt to bridge the gap between P2P and the POS, but it remains to be seen whether consumers will consider that an adequate substitute for a bank account.
3. **Faster payments initiatives will help FIs deliver the speed and control that consumers expect in a digital environment.**
   - 37% of respondents have paid a bill using their mobile device: 32% have used their FI's mobile banking app and 20% have paid bills using a biller app (14% have used both).
   - Of those who have made both FI and biller-direct payments, 69% prefer FI bill pay.

Figure 1: Mobile Banking Functionality Use by Age

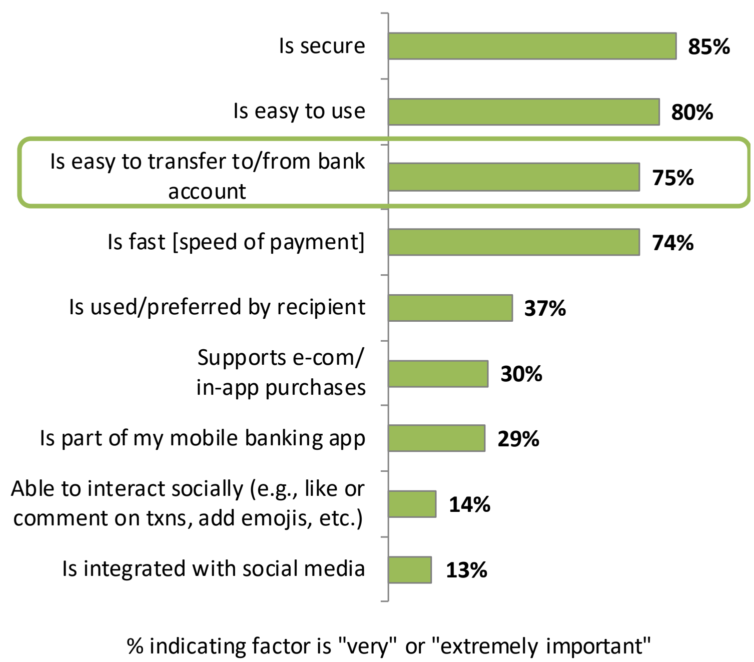
Which activities have you performed using your financial institution's mobile banking app?



Source: Q2 2017 Mobile Banking Report.

Figure 2: Importance of Specific P2P Factors

How important are the following factors when making a person-to-person payment? (N = 1,503)



Source: Q2 2017 Mobile Banking Report.

- The top reason cited by the 31% who use / prefer biller-direct payments is faster payment posting, and the ability to expedite payments topped the list of potential improvements to the FI bill pay experience, cited by 40% of FI bill pay users.
- Speed of payments is also a recurring theme among P2P users.

4. **Further opportunity exists to extend mobile banking to enhance the payments experience.**
    - 14% of respondents have used card controls; another 10% would be very or extremely likely to use them.
    - 21% of mobile bankers say they have made a tap & go payment; another 16% would be very or extremely likely to do so if it were offered directly by their FI.
    - Although not the highest priority feature, 54% of mobile banking users say integration with their mobile banking app is very or extremely important in deciding to use tap & go payments.

Mobile banking complements, rather than replaces, existing physical and digital channels in many ways. But opportunities to enable payments transactions via mobile banking—with new use cases, new venues, and new payment characteristics and features—is giving mobile banking a role of its own.

About the Study

First Annapolis bifurcated its ongoing Study of Mobile Banking & Payments into The Mobile Wallet Report and The Mobile Banking Report beginning in Q1 2017. The Q2 Mobile Banking Report is the fifth in a series of studies tracking consumer adoption and use of mobile banking and payments. Findings are based on April 2017 survey results from 1,503 U.S. consumers age 18 and over who own a smart phone and have a checking account.

Topics covered include: banking relationships and product ownership; mobile banking, mobile bill pay, and mobile P2P; card controls; and tap-and-go payments/mobile wallet integration. Segmentation analysis explores variations by age and other demographics, FI size, and channel use.

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