

**The Federal Reserve 5th Report on Consumers and Mobile Financial Services
March 30, 2016**

The Federal Reserve Board released its fifth report on consumer and mobile financial services, summarizing data collected from a survey of over 2500 respondents. The results reveal how the widespread use of mobile phones continues to change the way Americans bank, make payments and shop. For consumers with mobile phones and bank accounts, use of mobile banking increased by four percentage points to 43 percent since the last survey. Among mobile banking users, the most common mobile banking activity remains checking account balances or recent transactions. Transferring money between accounts is still the second most common. More than half of mobile banking users received an alert from their financial institution through a text message, push notification or an email. Remote deposit capture, or depositing a check to a bank account electronically using a mobile phone camera, was one of the most common banking activities among users, making it the fourth most popular mobile banking activity. Most consumers with bank accounts reported using a mix of online and offline channels to interact with their financial institution. Among all respondents with bank accounts, regardless of whether or not they had access to a mobile phone, the share using mobile banking is higher than the share using telephone banking, but lower than the shares that have visited a branch, used an ATM or online banking in the last 12 months. For those who have adopted mobile banking, use of the mobile channel appears to complement their use of other banking channels. Among mobile banking users with smartphones, 54 percent cited the mobile channel as one of the three most important ways they interact with their bank. Below the shares that cited online, 65 percent, and ATM, 62 percent, but above the share that cited a teller at a branch, 51 percent. By comparison, use of mobile payments is less common than use of mobile banking. About a quarter of mobile phone owners in the 2015 survey reported that they had used mobile phones to make payments in

the past 12 months. Focusing only on those smartphone owners who reported making a mobile payment in the past 12 months, the most common mobile payment activity was paying bills through a mobile phone web browser or app, followed by purchasing a physical item or digital content remotely using a mobile phone web browser or app. Other common mobile payment activities were paying for something in a store and sending money directly to another person using a mobile phone. For particular groups of respondents to the 2015 survey—such as younger adults, Hispanics and non-Hispanic blacks—the shares who reported using mobile banking and mobile payments were higher than the overall survey averages.* Consumers continue to use mobile phones to inform their shopping. Some smartphone owners use their phones to comparison shop or scan the barcode to find the best price while shopping in a retail store. Among those who had, the majority had said that comparing prices had changed where they purchase the product. Of those not using mobile banking, the principle reason cited is that their banking needs are met without mobile banking. Among those who do not use mobile payments, the principle reason is that payment is easier with cash, credit card, or debit card. Concerns about the security of the technology were a common reason for not using mobile banking or mobile payments.

To view the full report, go to FederalReserve.gov/communitydev

*Note: Additional highlights about younger adults, Hispanic and non-Hispanic blacks were added to the video on April 7, 2016