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Fiserv Survey Finds Payments Now More Mobile, More Personal, While Digital Wallets Show Measured Growth

Importance of real-time delivery spans payment types, digital wallet adoption parallels early online banking growth

BROOKFIELD, Wis.--(BUSINESS WIRE)-- The latest Expectations & Experiences consumer trends survey from [Fiserv, Inc.](#) (NASDAQ: FISV), a leading global provider of financial services technology solutions, finds consumers are paying more bills from mobile devices and making more person-to-person payments while starting to venture into digital wallets.

Faster payments continue to be important to consumers, with 76 percent saying that it is at least somewhat important that the payments they make are delivered in real time.

"Consumers are living more digital lives, and that is being reflected in the way they pay," said Mark Ernst, chief operating officer, Fiserv. "Bill payments and person-to-person payments from mobile devices are making their way toward the mainstream, while digital wallets are showing slow but steady growth reminiscent of the early days of online banking."

A paper detailing the results and methodology of Expectations & Experiences: Consumer Payments is available at <https://fisv.co/payments17>. Expectations & Experiences is one of the longest-running consumer trends surveys in fintech and builds on 15 years of longitudinal data.

Mobile Bill Pay: Mainstream Among Mobile Banking Users

The percentage of consumers using mobile bill pay rose significantly from late 2015 to late 2016, growing from 22 percent to 28 percent. Among mobile banking users, 41 percent used the service to pay bills in the past 30 days. Bill payment was a notable factor in mobile banking use, with 53 percent of mobile banking users citing the ability to pay bills anywhere and anytime, 46 percent citing the ability to quickly pay bills at the last minute, and 31 percent citing the ability to receive mobile alerts when bills are due as reasons they use mobile banking.

Person-to-Person Payments: Usage Up and Security Concerns Down

The share of consumers using person-to-person (P2P) payments via a financial organization in the past 30 days, a timeframe considered to designate "active" use, increased by more than one-third from 2015 to 2016, growing from 14 percent to 19 percent. Over the past year, sharing household expenses was the most common use of the service (9 percent), followed by repaying a loan or debt to a friend or family member (7 percent) and rent (6 percent).

Security concerns are a lower barrier to adoption than in the past, with the percent of nonusers of P2P payments saying they have not tried the service due to concerns about security declining from 29 percent in 2015 to 21 percent in 2016.

Digital Wallets: Steady Growth Parallels Early Online Banking Growth

Digital wallet adoption is growing at a slow but steady rate, with 13 percent of consumers indicating they have used a digital wallet in the last 30 days, up from 11 percent in 2015 and 8 percent in 2014, according to a prior Fiserv survey. Fifteen percent of consumers said they had used a digital wallet in the past year.

The growth curve for digital wallet adoption parallels the growth curve for online banking following its introduction in the late 1990s. According to the Pew Research Center, the earliest online banking users tended to be younger and have higher incomes than the overall population. Fiserv finds the same is true for early adopters of digital wallets.

Among those interested in but not currently using digital wallets, features that mesh with peoples' lifestyles have the most appeal, such as being able to turn off credit or debit cards in case of fraud (43 percent) or for any other reason (36 percent), withdrawing cash without a card (28 percent), and paying someone in real time (26 percent). Adding or promoting these capabilities could help drive further adoption.

Millennials: Active Digital Users Who Value Faster Payments

Millennials (ages 18-36) are more likely to have used a digital payment service in the past 30 days compared to their older peers (ages 37 or older). This includes:

- | Online bill pay; 64 percent of millennials vs. 57 percent of older consumers
- | Account-to-account transfers; 61 percent of millennials vs. 50 percent of older consumers
- | Mobile bill pay; 54 percent of millennials vs. 18 percent of older consumers
- | P2P payments via a financial organization; 37 percent of millennials vs. 13 percent of older consumers
- | A digital wallet; 29 percent of millennials vs. 8 percent of older consumers

Younger consumers are also more interested in faster payments, with 93 percent of millennials and 85 percent of Gen Xers (ages 37-51) saying that it is at least somewhat important that the payments they make are delivered in real-time, compared to 76 percent of the overall population.

The survey of more than 3,000 U.S. banking consumers was conducted online by Harris Poll on behalf of Fiserv in November 2016.

In a world that is moving faster than ever before, Fiserv helps clients deliver solutions that are in step with the way people live and work today - financial services at the speed of life. Learn more at fiserv.com.

Additional Resources:

Expectations & Experiences: Consumer Payments - <https://fisv.co/ee-payments2017>

About Fiserv

Fiserv, Inc. (NASDAQ: FISV) enables clients worldwide to create and deliver financial services experiences that are in step with the way people live and work today. For more than 30 years, Fiserv has been a trusted leader in financial services technology, helping clients achieve best-in-class results by driving quality and innovation in payments, processing services, risk and compliance, customer and channel management, and insights and optimization. Fiserv is a member of the FORTUNE® 500 and has been named among the FORTUNE Magazine World's Most Admired Companies® for four consecutive years, ranking first in its category for innovation in 2016 and 2017. For more information, visit fiserv.com.

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