



PRESS RELEASE

Federal Deposit Insurance Corporation • Each depositor insured to at least \$250,000

May 25, 2016

Media contact:
Julianne Fisher Breitbeil
(202) 898-6895
jbreitbeil@fdic.gov

FDIC Report Shows Mobile Banking Can Help Underserved Consumers

Mobile banking can help underserved consumers obtain more control over their finances and increase access to mainstream banking, according to a Federal Deposit Insurance Corporation (FDIC) report released today. The report was released at a meeting of the FDIC's Advisory Committee on Economic Inclusion (ComE-IN), which focused on Mobile Financial Services (MFS).

The paper, [*Opportunities for Mobile Financial Services to Engage Underserved Consumers*](#), reports on the findings from qualitative research with consumers and industry stakeholders and identifies a set of strategies for banks to consider to better position them to meet underserved consumers' needs. Underserved households are those that are either unbanked or underbanked. Unbanked households are those without an account at an insured banking institution. Underbanked households have an account but also utilize nonbank alternative financial services providers.

The FDIC is committed to expanding economic inclusion in the financial mainstream by ensuring that all Americans have access to safe, secure, and affordable banking services. Access to an account at a federally-insured institution provides households with the opportunity to conduct basic financial transactions, save for emergency and long-term security needs, build a credit history, and access credit on fair and affordable terms. Broad participation in mainstream banking also reinforces public confidence in the financial system.

The study identifies seven core financial services needs for underserved consumers:

- **Control over finances** – Consumers want to know exactly when and why money is deposited and withdrawn from accounts; and they want to be certain about the terms and conditions of the product.
- **Access to money** – Consumers expect financial providers to make their funds available quickly because they often need to use funds as soon as they are received to pay bills and make purchases.
- **Convenience** – Consumers value features of a financial product or relationship that saves time or effort when conducting transactions.
- **Affordability** – Consumers are sensitive to the predictability and level of fees for account maintenance and everyday transactions, such as accessing cash.
- **Security** – Consumers want protection from physical and electronic theft of funds or personal information.
- **Customer service** – Consumers expect to have the ability to access live help through their preferred banking channel.

Federal Deposit Insurance Corporation **PRESS RELEASE**

• **Long-term financial management** – Consumers seek advice on money management or the availability of tools to meet financial goals, such as spending reports and savings trackers.

While not a cure-all, MFS can help banks address many of the core financial service needs of underserved consumers, especially in areas where traditional banking channels may be perceived to be less successful.

To gain a more in-depth understanding of the financial needs of underserved consumers and their perceptions of MFS in relation to these needs, the FDIC undertook a qualitative research project as an extension of the FDIC National Survey of Unbanked and Underbanked Households. As part of this effort, the FDIC led 18 focus groups of underserved consumers in diverse markets. The FDIC then shared consumer impressions with financial services industry participants that develop, deploy, or use MFS technology, including representatives of banks, credit unions, community groups, and technology service providers, to gather their reactions to some of the concerns and ideas.

The FDIC is seeking input from financial institutions, consumer groups, and other stakeholders on its plans to create opportunities for mobile financial services that would enhance the banking experience of underserved consumers. For more information, please review a recently issued Financial Institution Letter: <https://www.fdic.gov/news/news/financial/2016/fil16032.pdf>

FDIC's ComE-IN advisory committee meeting also includes sessions on payment system modernization, the release of qualitative research into banks efforts to serve the unbanked and underbanked, and ABLE (Achieving Better Life Experience) deposit accounts and economic inclusion for persons with disabilities.

The advisory committee was approved by the FDIC Board of Directors in November 2006 to provide the FDIC with advice and recommendations on important initiatives focused on expanding access to banking services for underserved populations. For more information about the committee and its initiatives, visit <http://economicinclusion.gov/> or <http://www.fdic.gov/about/comein/>.

###



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. The FDIC insures deposits at the nation's banks and savings associations, 6,182 as of December 31, 2015. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars—insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-42-2016

Stay connected
to the FDIC

Twitter: <https://twitter.com/FDICgov>
Facebook: <https://www.facebook.com/FDICgov>

LinkedIn: <https://www.linkedin.com/company/fdic>
YouTube: <https://www.youtube.com/user/FDICchannel>
