

How Canadians Bank



Fast facts

» The Internet is now the main means of banking for 45 per cent of Canadians, and use of the Internet as the primary banking choice is increasing among all age groups

» Branch and ABM banking, while declining in popularity over time, remain important and valued methods of conducting a wide variety of banking transactions

» 82 per cent of Canadians say technology has made banking more convenient, enabling them to bank whenever and wherever it suits them



The bottom line

Banks offer Canadians a wide variety of ways to conduct their banking, providing customers with increased convenience, choice and flexibility.

Banks offer a wide range of financial services for consumers and a number of ways for people to access those services. In fact, of the 77 banks operating in Canada, more than 40 offer financial products and services - including bank accounts, credit cards, loans and investments - to Canadian consumers.

Gone are the days of banking only in a branch. Now a customer can bank anytime, anywhere either online, through an ABM or by phone, or even through a mobile banking application on a wireless device. Caught in the grocery store checkout line without enough cash? Customers can use debit cards and get cash back at the same time. Forgot to pay some bills before going on vacation? Customers can pay bills online, at an ABM or by phone or even set them up for direct payment.

Canadians are embracing these new choices. A 2010 CBA survey showed that Canadians use a variety of banking services to meet their needs and believe technologies available through their financial institution make their personal banking more convenient.

Online banking growing fast

Online banking continues to be the fastest growing and most popular method of conducting banking transactions:

- A majority of Canadians (63 per cent) report using online banking in the last year.
- Nearly half of Canadians (45 per cent) today use the Internet as their main means of banking, up from only eight per cent 10 years ago.
- Ninety-one per cent of Canadians register high levels of satisfaction with their banks' website. The majority of Canadians who visit their banks' website say they check their account balances (92 per cent), pay bills (85 per cent) and transfer funds (76 per cent).

Branch banking: the personal touch

- Despite the growth in electronic banking, branches remain a vital part of banking in Canada. To better meet customer needs, many branches are extending their hours and opening on Saturdays and Sundays. And some branches offer drive-through facilities.
- 23 per cent of Canadians surveyed identify branch banking as their main banking method, down from 29 per cent in 2000.
- British Columbians are the highest users of in-branch banking with 32 per cent using it for their main banking needs. For Quebec residents, only 14 per cent rely mainly on branches.



- Sixty-two per cent of young Canadians (18 to 34 years old) say online is their main way of banking compared to 25 per cent of those 55 or older. However, online banking use has continued to grow in this age group too and is up from 11 per cent in 2002.
- As demand for branch banking has decreased, some branches have consolidated and others have become more specialized, where a variety of financial products, services and advice are also available.

Canadian ABM use still high

While more Canadians now identify online banking as their primary banking method (45 per cent) over banking at the ABM (23 per cent), ABMs remain very popular:

- In 2010, Canadians made over 627 million cash withdrawals, 217 million deposits and 51 million bill payments at bank-owned ABMs alone.

There are more than 59,000 ABMs in Canada, including more than 17,320 bank-owned ABMs.

Mobile banking

As technology continues develop, banks in Canada are now offering mobile banking services that allow Canadians to carry out a variety of day-to-day banking transactions through their smart phones. Although this technology is fairly new, Canadians from coast to coast appear enthusiastic about the prospects for this technology.

- Five per cent of Canadians reported using mobile banking during the last year.
- Twenty-three per cent of Canadians expect to be conducting their banking using mobile devices in the near future, up from 14 per cent in 2008. This expectation increases significantly among current users of mobile devices:
 - 64 per cent of iPhone users and 54 per cent of Blackberry™ users expect to be banking from their mobile device within the next two to three years.

Convenience and banking technology

- 82 per cent of Canadians say technology has made banking more convenient. 44 per cent say they value the ability to access their accounts anywhere; 15 per cent value the ability to bank when it is convenient for them; and 25 per cent say they do less running around which saves time and money.

For consumers, the ability to use debit cards (84 per cent), to pay bills electronically (82 per cent) and the availability of a national network of ABMs (74 per cent) improve banking somewhat or a great deal.



Safety and security

Eight-two per cent of Canadians are confident that banks continually update technologies so online and electronic transactions are safe. In fact, since 1996 banks have spent more than \$56 billion to ensure the Canadian banking system is accessible, convenient and secure. But consumers recognize a shared responsibility for safety between banks and individuals.

- The most common activities for ensuring safety and security of online transactions are PIN protection, use of secure websites and checking bank statements.
- More than nine-in-ten (93 per cent) report the use of anti-virus software, while more than eight-in-ten (85 per cent) use firewalls. 78 per cent of Canadians use anti-spyware.

All data from: Technology and Canada's Banking Industry, Strategic Counsel, 2010, except ABM transactions statistics, number of ABMs, and number of branches (Source CBA).

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» The Canadian Bankers Association works on behalf of domestic banks, foreign bank subsidiaries and foreign bank branches operating in Canada and their 267,000 employees. The CBA advocates for effective public policies that contribute to a sound, successful banking system that benefits Canadians and Canada's economy. The Association also promotes financial literacy to help Canadians make informed financial decisions.