

# How Canadians Bank



## Fast facts

» More than two-thirds (68%) of Canadians now do most of their banking digitally, using online and mobile banking.

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

» 90 per cent of Canadians say Canada's banks have done a good job of bringing innovation to banking.



## The bottom line

Banks in Canada have long been leaders in the development of new innovations that make banking and payments safe, simple and convenient for customers, while also fostering customer trust and confidence.

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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 80 banks operating in Canada, at least 40 offer financial products and services to Canadian consumers - including bank accounts, credit cards, loans and investments.

Banks have been adding new, secure, fast and convenient banking and payment solutions, including mobile banking, mobile “tap to pay” payments and depositing cheques by taking a picture with a smartphone.

Canadians are embracing these new choices. A 2016 CBA survey, *How Canadians Bank*, 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.

## Canadians value banking innovations

As technology evolves, banks are always looking for ways to make it easier for Canadians to access their banking safely and securely. And Canadians clearly value the convenience of these innovations.

- 90 per cent of Canadians believe that banks have been doing a good job of bringing forward innovations in banking.
- 95 per cent said that banking has become a lot easier and more convenient over the years.
- 91 per cent agree that their bank has earned their trust over the years when it comes to ensuring that technologies for banking are safe and secure.

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For consumers, the ability to bank online (83 per cent), use the “tap and go” feature on a debit or credit card (67 per cent), deposit a cheque by taking a picture of it using a smartphone (59 per cent) and use a mobile device to pay for purchases (53 per cent) add value to their banking.

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## Online banking popular, but mobile is gaining

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

- More than three-quarters of Canadians (76 per cent) report using online banking in the last year.
- 51 per cent of Canadians use the Internet as their main means of banking, down from 55 per cent in 2014. The decrease is due to a growth in mobile banking with 17 per cent of Canadians reporting that mobile is their primary method of banking, up from nine per cent in 2014.
- 45 per cent of Canadians report that their use of online banking has increased, while only four per cent say it is on the decline.
- 63 per cent of Canadians have used an email money transfer to send or receive money through online or mobile banking.
- 42 per cent of Canadians use online banking as their primary method of bill payment, while 30 per cent prefer pre-authorized debit or credit card payments, seven per cent pay using a mobile app, seven per cent pay in branch, five per cent use telephone banking and four per cent pay at an ATM.

## Mobile banking and payments are growing fast

With more and more Canadians carrying smartphones, banks offer mobile banking and payment services and apps that allow customers to carry out a variety of transactions through their mobile devices. And the number of Canadians banking on the go continues to rise.

- 44 per cent of Canadians reported using mobile banking during the last year, up from 31 per cent in 2014 and just five per cent in 2010.
- Eight per cent have used their mobile device to make a payment, a number that is expected to increase as these payments become more widely available.
- 38 per cent say their use of mobile banking is increasing, particularly among younger Canadians (66 per cent), while 45 per cent of those over 55 say their use of mobile banking is either increasing or staying about the same.
- Nine per cent of Canadians say that taking a picture with their mobile device is their primary means of depositing a cheque, up from one per cent two years ago.
- Fifty-two per cent of Canadians believe that they will be conducting more of their banking using a mobile device over the next two to three years.

## Branch banking: the personal touch

Despite the growth in electronic options, 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.

- 12 per cent of Canadians surveyed identify branch banking as their main banking method, down significantly from 29 per cent in 2000.
- Seventeen per cent of Canadians over the age of 55 bank primarily in a branch as do eight per cent of those under 35.
- 42 per cent of Canadians say their use of in-branch banking has dropped. As demand for day-to-day banking has decreased, branches have become more specialized, where a variety of financial products, services and advice are also available.



## ABMs still popular for withdrawals

More Canadians now identify online banking as their primary banking method (51 per cent) over banking at the ABM (16 per cent):

- In 2015, Canadians made approximately 510 million cash withdrawals, 172 million deposits and 36 million bill payments at bank-owned ABMs.
- 76 per cent of Canadians use ABMs when making cash withdrawals, while 17 per cent do so at a branch. Six per cent also take advantage of cash-back services available at some retailers.

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There are more than 65,000 ABMs in Canada, including 18,711 bank-owned ABMs.

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All data from: *How Canadians Bank*, Abacus Data, 2016, except ABM transactions statistics and number of ABMs (Source CBA, 2016).

» The Canadian Bankers Association works on behalf of domestic banks, foreign bank subsidiaries and foreign bank branches operating in Canada and their 280,000 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.

