

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

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To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, Foreign Bank Offices and
Savings and Loan Holding Companies
in the Twelfth Federal Reserve District

Federal Reserve Survey Provides Information on Mobile Financial Services

A survey of the use of mobile banking services was conducted on behalf of the Federal Reserve Board of Governors by Knowledge Networks, an online consumer research firm. Data collection began December 22, 2011, and was concluded on January 9, 2012. Nearly 2,300 respondents completed the survey.

One out of five American consumers used their mobile phone to access their bank account, credit card, or other financial account in the 12 months ending in January 2012 and an additional one out of five indicated they would likely use mobile banking at some point in the future, according to the survey.

The survey's findings suggest that the use of mobile banking is poised to expand further over the next year, with usage possibly increasing to one out of three mobile phone users by 2013. However, the survey indicates that many consumers remain skeptical of the benefit of mobile banking and the level of security associated with the technology.

The use of mobile banking is highly correlated with age, according to the survey results. People between 18 and 29 account for approximately 44 percent of mobile banking users, relative to 22 percent of all mobile phone users. Conversely, people age 60 and over account for only 6 percent of all mobile banking users, but 24 percent of mobile phone users. The survey showed a significantly higher level of mobile banking uptake among African Americans (16 percent) and Hispanics (17 percent), relative to 11 percent and 13 percent of mobile phone users, respectively.

The widespread use of mobile technology has the potential to expand access to financial services for previously underserved populations. Underbanked individuals (people with bank accounts but who use check cashers, payday lenders, or payroll cards) make relatively heavy use of mobile banking, according to the survey. Of this group, 29 percent used mobile banking in the year ending in January 2012.

The survey found that the most common mobile banking activities are consumers checking their account balances or monitoring recent transactions. Less frequently used mobile banking functions include making online bill payments from a bank account, locating an in-network automated teller machine, and depositing a check by phone.

The majority of consumers who have a mobile phone but do not use mobile banking said they either had no need for these services or expressed security concerns. When asked to rate the security of mobile banking, non-users were more likely to report that they believed it was unsecure or that they simply didn't know how secure the technology was.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking/letters>.

For additional information, please contact:

Federal Reserve Bank of San Francisco
Banking Supervision and Regulation
(415) 974-2923

Attachment: [Federal Reserve Board survey \(2.5 MB PDF\)](#).