

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

The use of mobile phones to access a bank account, credit card, or other financial account became more prevalent in the United States last year, according to the Federal Reserve Board's latest report on the use of mobile financial services. As of November 2012, 28 percent of all mobile phone users and 48 percent of smartphone users had used mobile banking in the past 12 months. This is a significant increase from 21 percent in December 2011 for mobile phone users and 42 percent for smartphone users. While relatively less common, the use of mobile phones to make payments at the point-of-sale increased threefold over the same period, with 6 percent of smartphone owners having used their phone to make a purchase.

The Federal Reserve Board completed its first *Survey of Consumers' Use of Mobile Financial Services* in December 2011, and released a summary report in March 2012. The Board conducted a second survey in late November 2012 to monitor trends in the use of mobile financial services, and to understand how the rapidly expanding use of this technology affects consumer decisionmaking and the overall economy.

Mobile devices have increasingly become tools that consumers use for banking, payments, budgeting, and shopping. The Board's report looks at how consumers access their bank's services using mobile phones ("mobile banking"), at their payment for goods and services using mobile phones ("mobile payments"), as well as their use of mobile phones to inform their shopping decisions.

The use of mobile financial services is particularly prevalent among the 10 percent of the population that is underbanked (people with bank accounts but who use check cashers, payday lenders, or payroll cards). Among the 90 percent of underbanked consumers with mobile phones, 49 percent had used mobile banking in the 12 months preceding November 2012, up from 29 percent in December 2011. Mobile phones may also allow for the extension of financial services to an additional 10 percent of the population that is unbanked (those without a bank account), as 59 percent of this group has a mobile phone, half of which are smartphones.

While the use of mobile banking increased 33 percent between 2011 and 2012, the report indicates that many consumers remain skeptical of the benefit of mobile banking and the level of security associated with the technology. More than half of mobile phone owners who do not currently use mobile banking say they have no interest in using this technology. Consumers are similarly skeptical of the benefits and security of mobile payments, or believe it is simply easier to use another method of payment. Less than one-fourth of all mobile phone owners expressed an interest in using their mobile phones to buy things at the point-of-sale.

The most common mobile banking activities continue to be reviewing account balances, monitoring recent transactions, or transferring money between accounts. Notably, the use of mobile phones to deposit checks has doubled between surveys, with 21 percent of mobile banking users having deposited a check with their phone in the 12 months prior to November 2012.

Mobile phones are also increasingly used to help make decisions while shopping. Among smartphone owners, 42 percent had used their phone to compare prices while shopping and 44 percent had used their phones to browse product reviews in store. Almost two-thirds of those who had used their phone to do price comparisons had changed where they made their purchase based on that information.

The survey was conducted on behalf of the Federal Reserve Board of Governors by GfK (formerly Knowledge Networks), an online consumer research firm. Data collection began November 16, 2012, and concluded on November 27, 2012. Nearly 2,600 respondents completed the survey. For more information on the survey, please access the Federal Reserve Board's report on [Consumers and Mobile Financial Services](#).

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:

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