

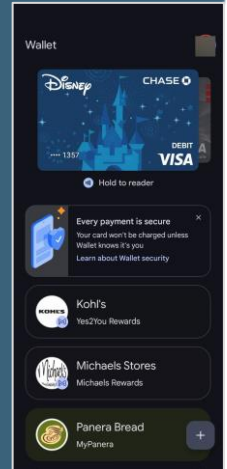
Data shows importance of digital wallet integration

New data released by the U.S. Federal Reserve illustrates the increasing demand for digital wallets, but many providers are failing to supply direct access from their apps.

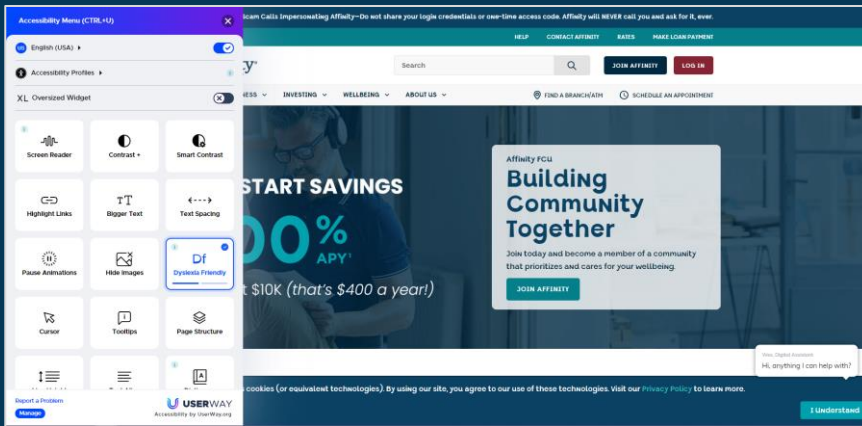
In the second half of last year the Federal Reserve Financial Services commissioned a survey into consumers' changing payment behavior. Unsurprisingly, digital-first usage continued to grow year over year, with mobile wallet increasingly the payment method of choice.

The use of digital wallets rose 32% year over year, from 25% to 33%. Payments within bank mobile apps rose 8% (from 37% to 40%) and non-bank mobile apps (such as PayPal, Venmo and Cash App) rose by only 3% – despite payments apps being among the most downloaded last year. Digital wallet usage increased by 6% for both in-person purchases and online shopping. More than half of Gen Z (52%) and millennial (53%) consumers reported using digital wallets, representing 24% and 26% year over year increases respectively.

But the lion's share of providers haven't woken up to this. Just 11% of U.S.-based retail checking providers tracked by the Digital Banking Analyzer offer the ability to store a new card in a digital wallet on or before account application approval (64% of fintechs, 20% of nationals, 8% of community banks, 3% of regionals and 2% of credit unions). Only 27% of providers allow users to add a card directly to the wallet from the app after the early stages.



Affinity CU offers accessibility options



Affinity Credit Union has added an accessibility console that provides a range of options.

The console – which sits on the public site – offers more than 50 language options, a screen reader, text resizing options and dyslexia friendly options. Links can be highlighted throughout the site and various other visual elements can be toggled including the ability to pause animations, hide images, change text spacing and more.

With digital increasingly the primary channel for engagement financial, services providers must consider all potential needs of their card holders. By rolling out the console, Affinity shows a dedication to its entire member base.

U.S. Bank adds Amazon integration

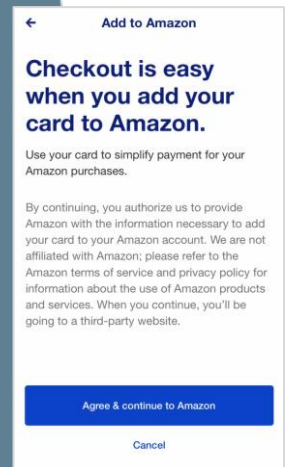
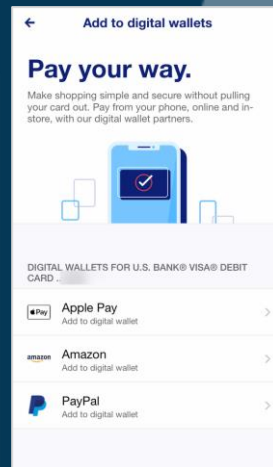
U.S. Bank has added the ability for users to integrate the bank's card into their Amazon account from the mobile app.

As is becoming standard among nationals, users can add their cards to Apple Pay and PayPal from their banking app, with the Amazon addition encouraging primacy at another point of sale (POS).

There are varying degrees of in-app digital wallet card integration among retail checking providers, which naturally depends on the user's device and installed apps and the provider's relationship with wallets and other merchants.

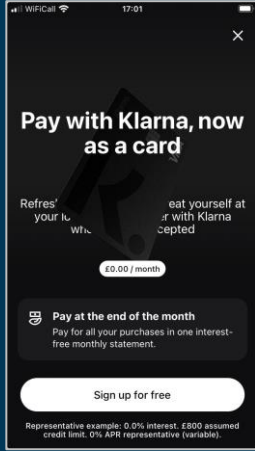
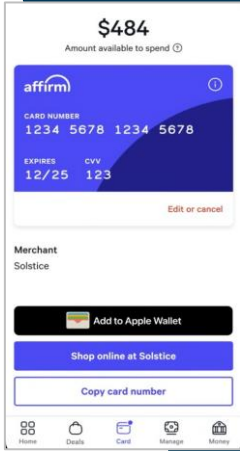
With the average American spending \$91.75 per month on Amazon, card primacy is an important consideration at the POS.

While payment plan providers are increasingly looking to take share of voice at checkout, Amazon's "Buy Now" button and default payment selection system ensures the primary card will see a healthy amount of transaction activity.



Advisors Plus on... Digital wallet adoption

Best-in-class designs alert cardholders if they've not pushed their card to a wallet and shared incentives with retailers to prompt the cardholder to take action.



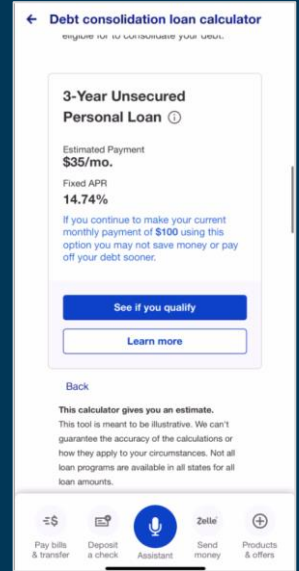
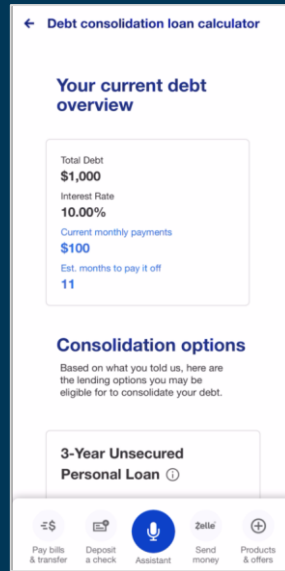
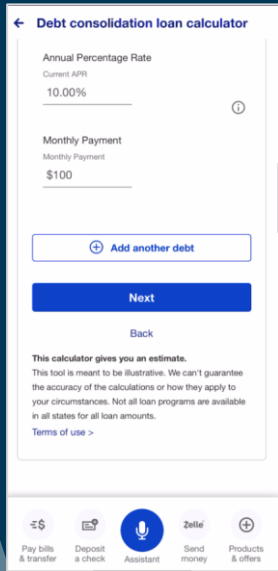
Alternative payments target debit cards

Financial institutions must adapt to an evolving payment environment to maintain their share of wallet, with alternative payment providers appealing to consumers with creative and value-added offerings.

One example is the Extra Card, which is essentially a decoupled debit card that customers can link to their bank accounts to build credit and earn rewards with everyday purchases. Elsewhere, buy-now pay-later (BNPL) provider Affirm is offering a Visa-branded debit card. Customers link the card to their checking account and can then choose to pay in instalments or in full immediately. The Affirm Card functions like a regular debit card with the added perk of allowing customers to split purchases into payment plans. Klarna recently made waves when it announced the upcoming rollout of its credit card in the US.

To prevent loss of valuable interchange fee income, financial institutions should examine the convenience provided by alternative payment providers and enhance the flexibility of existing offerings.

IN FOCUS: Lenders offer consolidation with calculators



STAT OF THE
MONTH

46%

of U.S.-based retail
checking providers
display savings goals
on desktop*

*tracked in the Digital Banking Analyzer

Changing interest rates and mounting consumer debt over the past two years has added stress and complexities to those at different stages of their financial maturity. Unsecured lenders are looking to assist, offering debt consolidation loans and digital calculators to clarify the proposition.

Calculators can be an insightful and practical tool for the user, offering a degree of interactivity and control over the outcome of an application. Positioned as an educational tool with no obligation to apply, the lender is essentially offering a free service within a digital ecosystem not solely tailored to selling.

U.S. Bank goes to lengths to clearly explain what debt consolidation entails, before taking zip code information, the user's credit score range and asking why the user wants to pay off the debts. It then takes information of each debt, provides a debt overview and estimated loan payment with APR, before suggesting the user looks to see if they qualify.