

VISA



Understanding consumer banking preferences in Finland

November 2024



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Introduction

Consumer expectations are evolving rapidly, driven by the convenience of innovations like same-day delivery, on-demand services, and instant payments. In banking, there is a growing preference among customers for seamless, personalised experiences that enhance convenience, speed, and control. To meet these expectations, banks must go beyond offering basic services; they need to anticipate shifting preferences and consistently deliver reliable, responsive solutions.

Visa is at the forefront of understanding these changes through continuous, in-depth research. Recently, Visa conducted a comprehensive study of the Finnish banking sector, surveying customers of traditional Finnish banks to uncover the key factors shaping customer choices and behaviours across various providers.

The findings reveal valuable insights across four key themes:

- 01 Building strong primary banking relationships
- 02 Mastering the everyday banking essentials
- 03 Blending digital ease with human touch for enhanced experiences
- 04 Unlocking value through personalisation

The insights highlight a significant opportunity for banks to better tailor their services to meet individual needs, providing actionable guidance for those looking to bridge the gap between evolving customer expectations and the reality of service delivery in today's dynamic financial landscape.

This paper will guide you through these key insights and concludes with a unique perspective on how banking providers can strengthen their value proposition and unlock new growth opportunities.



Building strong primary banking relationships

For most Finnish consumers, their primary banking relationship revolves around the practicalities of managing day-to-day financial needs. Our research shows that the most frequently used services are debit cards (84%) and current accounts (82%) for payments, underscoring the importance of these everyday tools in defining a consumer’s main banking provider.

To become and remain the primary bank, consistent customer engagement is key, and capturing a customer’s spending habits can be an effective way of achieving this.

Services consumers use from their primary bank

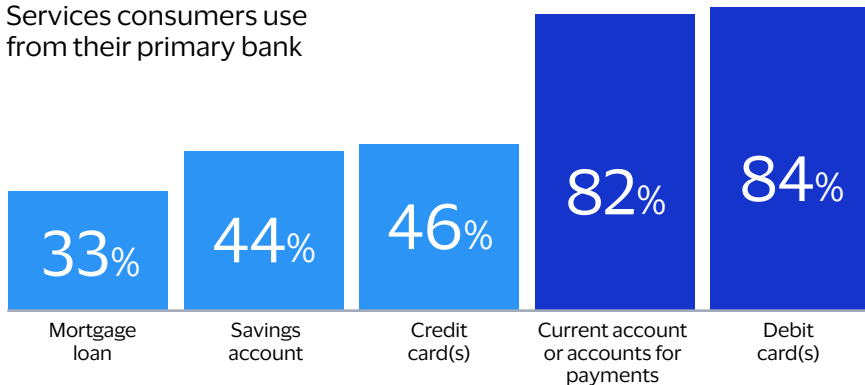


Fig 1

Ease of use and convenience in digital channels, such as online banking and mobile apps, are critical factors for consumers when choosing a bank, with many prioritising these features in their decision-making. This is unsurprising, as digital and mobile banking usage in Finland has surged. Mobile banking usage grew from 58% in 2019 to 77% by the second quarter of 2024¹, making it the most popular channel, followed closely by online banking.² This shift has reshaped consumer behaviour and loyalty in the financial sector, with digital and mobile banking now firmly established as a key part of Finnish habits. With tools like mobile payments, personalised notifications, and digital budgeting apps, consumers are increasingly engaged and reliant on these platforms.

Fig. 1. Question: Which banking services do you use from your primary bank? Base: Total sample = 1850

1. Statista, "Share of bank account holders processing banking matters via mobile banking (smartphone or tablet) in Finland from 1st half 2019 to 2nd quarter 2024," accessed October 29, 2024, <https://www.statista.com/statistics/1396466/mobile-banking-penetration-in-finland/>.
 2. Statista, "Methods of processing banking affairs in Finland in 2nd quarter of 2024," accessed October 29, 2024, <https://www.statista.com/statistics/1396463/processes-in-banking-affairs-in-finland/>.



Finns now expect seamless, 24/7 access to financial services, and banks that meet these expectations are well-positioned to build stronger trust and loyalty among their customers.

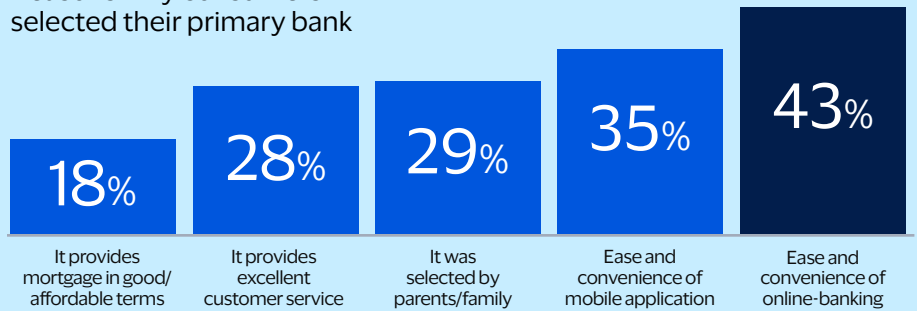


The quality of customer service is also a key factor. Again, this is expected, as positive experiences with customer service increase satisfaction by making users feel valued and understood, which is particularly important in sectors like banking, where personal trust and reliability are critical.

Banks that excel in digital convenience and service quality are more likely to attract and retain loyal customers.

Reasons why consumers selected their primary bank

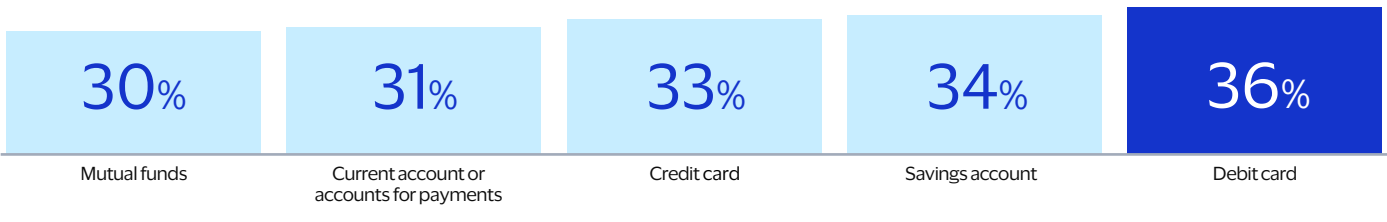
Fig 2



Despite the importance of these everyday services, customer loyalty can be fragile. Many consumers are willing to explore other banks for specific services, including debit cards (36%), savings accounts (34%), credit cards (33%), and current accounts (31%). This suggests that competitive or more attractive offerings could easily sway customers to shift their spending habits and indeed engagement. Given that card usage is a strong indicator of a bank's relationship with its customers, winning or losing these services often marks the beginning of either strengthening or eroding the entire relationship—posing a significant risk to long-term value if better terms are found elsewhere.

Banking services consumers would consider from another provider

Fig 3



Several key factors influence a customer's decision to switch banks, with better mortgage terms (38%), superior customer service (33%), and more rewarding benefits (25%) emerging as the top motivators. Even well-established banking relationships are vulnerable if competitors offer greater value, particularly in critical areas such as mortgages. To mitigate this risk, banks must continuously review and refine their product offerings; for example, they could focus on aligning rewards with customers' behaviours and spending patterns.

By keeping these offerings attractive and closely tied to consumer behaviours, banks can safeguard their position as the primary provider and reduce the risk of customer attrition.

Fig. 2. Question: Why have you selected ... as your primary bank? Base: Total sample = 1850

Fig. 3. Question: Which of these banking services could you consider having from another bank than your primary bank? Base: Total sample = 1850

Mastering the everyday banking essentials

Getting the basics right is crucial for maintaining strong customer relationships in the Finnish banking sector.

Whether it's through daily services, fraud management, lending, or financial management tools, customers expect reliability and ease of use as standard. In the sections below, we explore these areas and provide insights into how banks can meet customer expectations to foster long-term loyalty.

Daily services

Finnish consumers report high levels of satisfaction with their banks' daily services, with 84% stating that their bank efficiently meets their everyday needs, particularly valuing ease of use and functionality.

Notably, 84% of consumers also affirm that their bank offers modern digital services. This suggests that meeting everyday needs is closely linked to digital services, which is unsurprising, as both aspects go hand in hand. Our research supports this notion, revealing that banks delivering seamless, user-friendly experiences—both online and via mobile apps—tend to achieve the highest satisfaction rates.



This emphasis on digital ease underscores the importance of modern, intuitive services in fulfilling customer expectations.

Fig 4

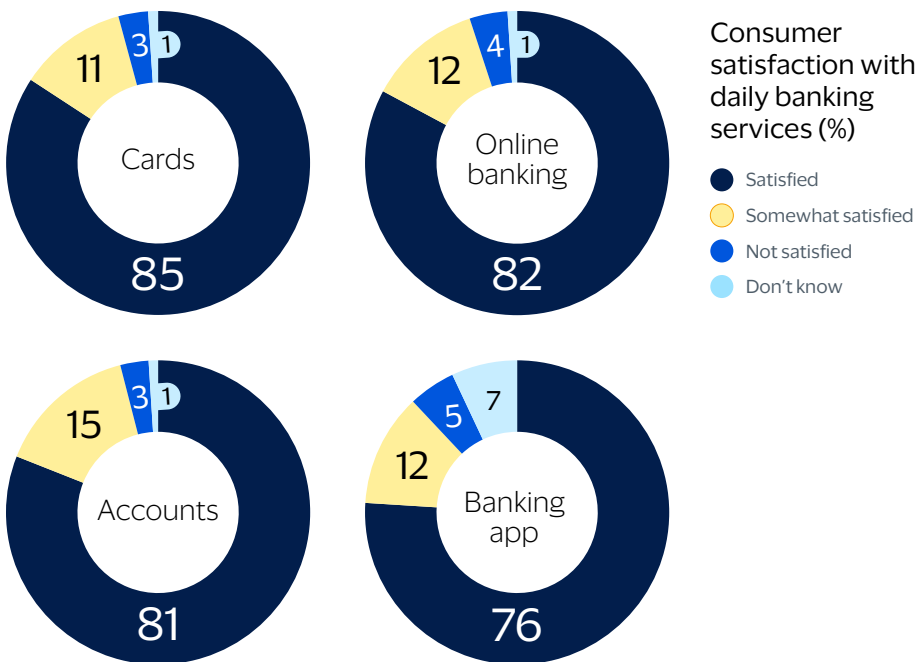


Fig. 4. Question: How satisfied are you with the overall functionality and ease of use of the following daily services of your primary bank? Base n = 1850

Fraud management

While day-to-day banking services are well-received, fraud remains a significant concern.

Although most customers are content with their bank’s approach to fraud prevention, 7% reported having contacted their bank about fraudulent transactions in the past year. Of those affected, 73% were satisfied with their bank’s response. However, this leaves 27% of customers dissatisfied, indicating there’s room for improvement.

Fraud, often a silent fear, only becomes a priority for customers when it occurs. It’s crucial for banks to recognise that safeguarding customers against fraud must be a top priority. A single failure in addressing fraud effectively can undo all the positive interactions a customer has had with their bank, resulting in long-term damage to the relationship.

Banks can address these challenges by improving response times and enhancing fraud detection technologies. This approach can help instil long-term trust with customers.

Lending services

As with fraud management, a poor experience with lending services can significantly damage trust and lead to customer attrition. Many customers—approximately 70%—are largely satisfied with their bank’s lending services. However, the remaining 30% of customers are not, presenting an opportunity for improvement in this area. Ensuring consistency in service across all lending interactions is essential for maintaining customer confidence and loyalty.

73%
of respondents were satisfied with their banks response after a fraudulent transaction.



However, one negative experience can quickly erode years of trust.

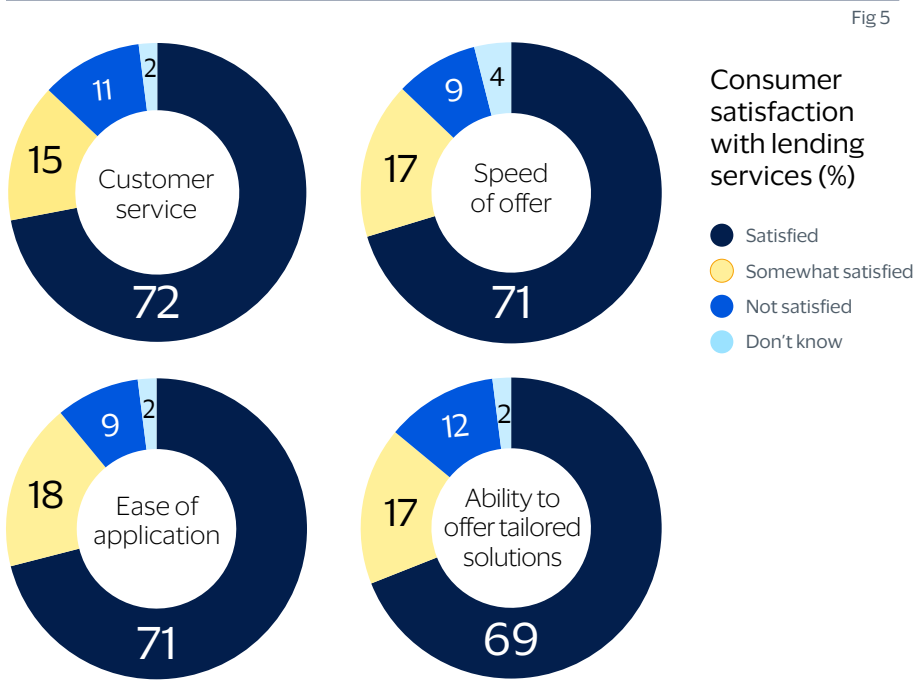


Fig. 5. Question: How satisfied are you with the overall functionality and ease of use of the following daily services of your primary bank? Base n = 1850

Financial management services

Despite the high customer satisfaction rates with their banking services, there is growing demand for more sophisticated financial management tools. Nearly half of respondents expressed interest in banking apps that offer better expense tracking and more efficient subscription management, reflecting the popularity of personal finance apps like Revolut and N26, which help users monitor spending, set budgets, and manage payments in real time.

Consumer interest in financial management tools (%)

Fig 6

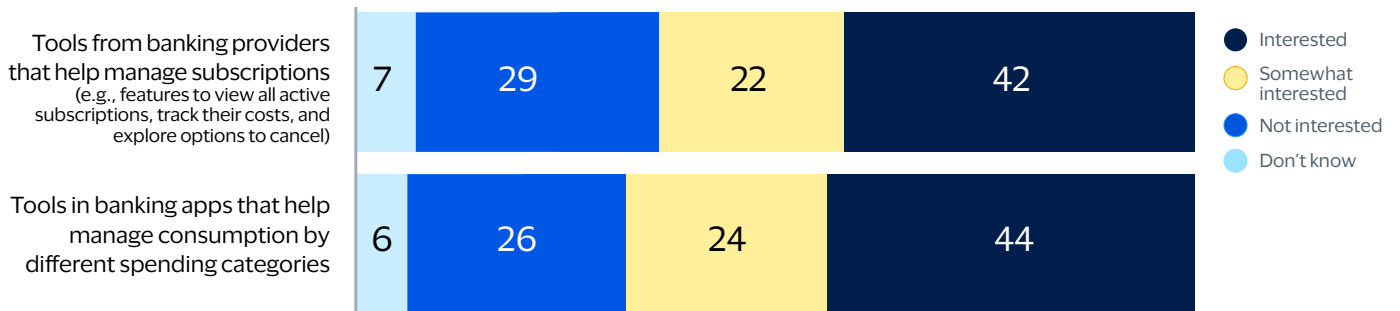


Fig. 6. Question: How interested would you be in the following offers from your bank? Base n = 1850



The shift towards digital financial solutions highlights the need for banks to meet current expectations and anticipate future needs.

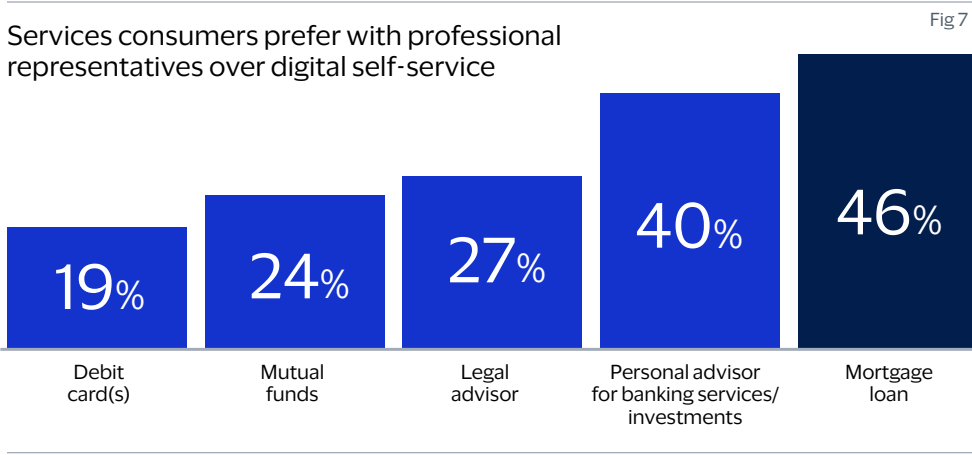
Providing advanced tools enhances satisfaction and fosters deeper relationships by delivering personalised experiences that make financial management more intuitive. By gaining a deeper understanding of customer behaviours, banks can offer financial services specifically tailored to individual needs, which enables them to sell these services more effectively.

Overall, this can help banks to strengthen engagement and become essential partners in personal finance. In a digital-first world, these tools are rapidly becoming hygiene, so investing in advanced technologies is key to staying ahead and maintaining loyalty.

Blending digital ease with human touch for enhanced experiences

While digital channels are strong favourites and indeed the norm (65% use online banking and apps), our research reveals many still prefer to receive advice from professional representatives, i.e., a real person.

This preference is particularly evident for more complex services, such as mortgage loans and investment advice, rather than relying solely on self-service digital options.



In general, customer service remains a strength for Finnish banks. According to the research, 68% of respondents rated the functionality and ease of use of their bank's customer service highly, and 73% praised the knowledge and professionalism of the customer service representatives. However, satisfaction levels vary between banks, indicating that the overall average might obscure significant differences among providers.

Interestingly, cooperative and savings banks tend to score higher in customer service satisfaction than commercial banks, likely due to their stronger emphasis on personal, local service. While significant investments have been made in digital services across the sector, these have not fully replicated the value customers place on face-to-face interactions.

This doesn't mean banks should reduce their focus on digitalisation, but rather that there is an opportunity for all banks to enhance satisfaction by offering more personalised digital experiences that capture the essence of professional, in-person advice.

65%

of respondents use online banking or apps to contact their bank's customer service, making digital channels the most common choice.



Despite the growing convenience of digital banking, there remains a consistent demand for personal interaction in areas that require greater expertise. This presents an opportunity for banks to strengthen customer relationships by offering a blend of digital convenience and personable, expert support.

Fig. 7. Question: Which services would you like to conduct via professional representatives of your main bank (advice from a real person) instead of purely self service via digital channels. Base n = 1850

It's important to note that customer service satisfaction can be quickly undermined when issues like fraud are mishandled, as highlighted earlier on. For banks to build long-term trust and loyalty, it's crucial that their fraud response teams are well-trained and equipped to handle such incidents efficiently and empathetically.

Despite high overall satisfaction rates, there remains substantial room for improvement in how well banks truly understand their customers.

Less than half of respondents (43%) feel their bank knows them well, and only 47% believe their bank proactively offers relevant products and services.

By leveraging personalised, data-driven insights, banks have the potential to better understand their customers' needs. This deeper understanding could become a key differentiator in retaining and strengthening customer relationships.

Technological advancements and industry developments, like open banking, could present a powerful opportunity for banks to enhance their understanding of customers with access to a broader set of financial data. By securely integrating this data into their personalised insights, banks can deliver even more relevant products, services, and loyalty programmes, ultimately deepening customer relationships and staying ahead in an increasingly competitive market.

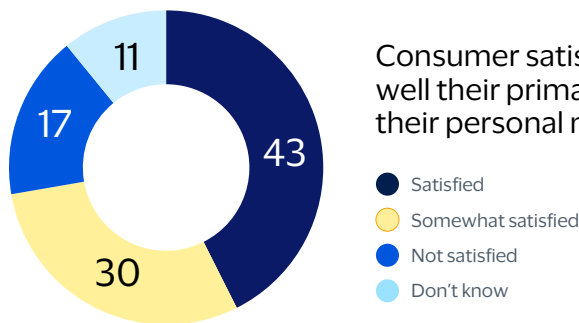


Dissatisfaction with how fraud cases are handled can overshadow prior positive experiences.

47%

of surveyed customers believe that their bank proactively offers relevant products and services tailored to their personal situation.

Fig 8



Consumer satisfaction with how well their primary bank understands their personal needs (%)

- Satisfied
- Somewhat satisfied
- Not satisfied
- Don't know

Fig 8. Question: How well do you think your primary bank knows you and your personal needs? Base n = 1850



Unlocking value through personalisation

Beyond daily banking services and customer experience, banks can significantly enhance their offerings by personalising services to meet individual customer needs.

The research paints a picture of an industry where few players have fully embraced personalisation as a core element of their proposition.

Banks that act early in integrating personalisation into their service development can achieve meaningful differentiation and a competitive advantage. By focusing on personalised offerings in areas such as wealth management, premium card services and family banking, banks can foster stronger relationships and solidify their position as the preferred choice for customers. Below, we'll explore these areas and offer insights on how banks can enhance their value through targeted personalisation.

Wealth management services

There is a noticeable gap in engagement with wealth management services, with fewer than half of surveyed customers saying their bank actively helps them grow their wealth. Additionally, 40% were unable to assess the quality of these services, indicating a possible lack of clear communication or positioning by banks. This disconnect may stem from how wealth management offerings are presented or marketed.

Only 43% of customers feel their bank understands their personal needs, highlighting the need for a more integrated approach. Rather than offering wealth management as a stand-alone product, banks can integrate it into broader advisory conversations, presenting themselves as trusted partners with a deep understanding of their customers' financial goals.

By aligning wealth management services more closely with individual customer needs, banks can foster long-term engagement and success.



Only 43%
of respondents
believe that their
primary bank
helps them grow
their wealth.

Premium cards

The study revealed that premium card adoption remains low, with fewer than 5% of customers having these products.

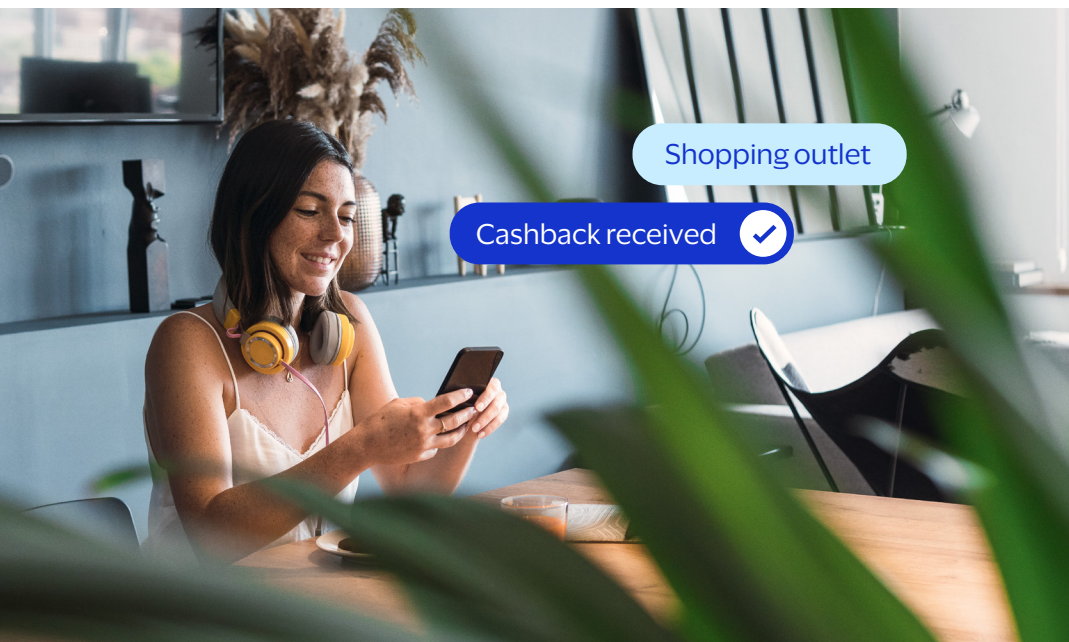
However, there is considerable interest in both traditional benefits, including travel perks (39%), insurance coverage (38%), and financial rewards like cashback (36%), and newer offerings such as free subscriptions (34%). This suggests a mismatch between what banks currently offer and what customers value most in premium cards.

There is significant additional potential to acquire customers through the introduction of the benefits they prioritise.

For example, with travel rebounding strongly—both abroad and domestic leisure trips with overnight stays increased by 9% in spring 2024 compared to 2023³—Finnish consumers are naturally seeking value from their banks when on the road, such as free stays at hotels or special promotions on venues. Additionally, financial rewards, such as cashback, are a crucial feature of premium cards, as they are standard across many cards in the market. When customers choose a premium card, they expect more than a standard payment solution; they want enhanced value and exclusive benefits. As a result, cashback and other financial rewards must provide superior advantages over standard cards.

By gaining a deeper understanding of customer preferences and developing or refining premium card offerings to include these desirable benefits, banks can strengthen their position as the primary bank while attracting more affluent customers. Premium cards can then act as a gateway for these customers to explore additional services and deepen their relationship with the bank.

As such, more tailored premium solutions are key to securing more valuable, long-term customer relationships.



39%
of customers would apply for a premium card if offered travel perks.

Over 1 in 3
would upgrade if free subscriptions were offered.

3. Statistics Finland, "Travel in Finland and abroad both increased in spring 2024," accessed October 29, 2024, <https://stat.fi/en/publication/cln1daxyw2az80bw1dz7i7v75>.

Family banking needs

Family banking represents a significant growth opportunity for banks, particularly through personalised offerings. Our research shows that nearly one in three customers retain the bank their parents initially chose for them as children, maintaining this inherited banking relationship into adulthood. **However, as customers are open to switching banks for better options, it's crucial for banks to personalise services to meet the needs of individual customers.**

Among parents managing child-related accounts, two-thirds are satisfied, but one in four have encountered challenges, suggesting room for improvement. Banks must be cautious not to jeopardise relationships with parents, as these hurdles in managing their children's banking needs can lead to frustration and potentially weaken the banking relationship. To maintain loyalty, banks must ensure their offerings meet the needs of both parents and their children.

By offering a broader range of family-oriented propositions—such as customised features that simplify account management for parents, engaging financial tools for children, and youth-focused services to support financial independence—banks can address these challenges head-on. **This approach strengthens relationships, secures the next generation of customers, and promotes long-term loyalty by positioning the bank as a family-friendly institution that fosters deeper trust.**

Beyond day-to-day banking, Finnish banks can seize an opportunity to engage in intergenerational wealth planning. Offering tailored solutions in this area, such as family-specific wealth management services, would not only meet an unmet demand but also foster deeper connections with families. This strategy ensures that banks retain their customers across generations, providing services that grow alongside their customers' evolving financial needs.

In addressing the gap in tailored family banking solutions, Finnish banks can gain a competitive advantage.

Personalised offerings for parents, children, and youth, along with intergenerational wealth planning, will help build lasting relationships across generations and position banks as forward-thinking institutions, ready to meet their customers' needs at every stage of life.



Only 27%
of customers believe their bank considers their entire family's needs in investment advisory services—a critical component of long-term financial planning.



What this means for banking providers

The insights presented in this white paper highlight several key areas where banking providers can enhance their value propositions and adapt to shifting consumer expectations.

While our analysis does not include benchmarking of individual banks, Visa's extensive research provides a roadmap for banks to deepen engagement, optimise services and maintain a competitive edge in an evolving market.



Consumer perceptions of banks

Banks must prioritise ease of use and convenience through digital channels while ensuring high-quality customer service. With many consumers willing to switch banks for better services or rewards, it's essential for banks to refine their offerings, especially in key areas such as mortgage terms and rewards. Our research shows that customers are more likely to remain loyal when banks align their propositions with consumer spending habits and deliver consistent value.



Daily banking services

While customer satisfaction with daily banking services is high, fraud management remains a critical area of concern. Effective fraud prevention is essential for maintaining trust, and banks that fail to prioritise this risk undermining their relationships with customers. Additionally, offering enhanced loan services and sophisticated financial management tools will help banks meet growing consumer demands. Providing modern digital services that extend beyond basic transactions is key to fostering long-term loyalty and engagement.



Customer experience

While digital channels are the primary method for customer service, in-person advice remains essential for more complex services such as mortgages and investments. Banks that strike the right balance between digital convenience and human interaction will better serve their customers. Moreover, banks that leverage data-driven insights to personalise their customer offerings can differentiate themselves, leading to improved retention and stronger long-term relationships.



Additional value through personalisation

Personalisation presents a significant growth opportunity, especially in areas such as wealth management, premium cards, and family banking. To capture this potential, banks need to move beyond generic offerings and tailor their products and services to individual customer needs. By integrating wealth management into broader advisory conversations, developing premium cards with features that match customer demands, and offering personalised family banking services, banks can strengthen relationships and ensure long-term loyalty.



How Visa can support

Visa is uniquely positioned to support banking providers in Finland as they adapt to evolving consumer expectations and market trends. With a suite of innovative solutions and a deep understanding of the financial ecosystem, Visa can help institutions transform their offerings and stay ahead in a rapidly changing environment:

- 
Digital services
 Visa's expertise in payment technologies and digital services can assist partners in developing and deploying cutting-edge solutions that meet the demands of tech-savvy consumers.
- 
Open banking
 Through Tink, Visa solutions enable seamless open banking solutions, offering scalable, data-driven platforms that enhance user experience, reduce complexity, and deliver efficiency across markets.
- 
Fraud management
 Visa offers a range of fraud prevention tools that can help banking providers improve their security protocols, ensuring customer trust is maintained even when issues arise.
- 
Personalised banking
 By leveraging Visa's data and analytics capabilities, partners can gain a wider understanding of their customers and deliver more tailored, proactive services.
- 
Premium products
 Visa's premium card solutions, such as Visa Platinum, provide the tools needed to attract and retain affluent customers, offering them a range of exclusive benefits.



Ready to elevate your consumer offering?
 Get in touch with your Visa representative today and discover how Visa can support your business growth.

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