

The State of Customer Experience in the Fintech Industry

Optimising CX Strategies for the Digital-First Finance & Banking Era



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Introduction

The Fintech industry is experiencing rapid growth, driven by considerable technological advancements and an increasing number of tech-savvy customers, complemented by those intrigued by the exciting opportunities this dynamic field offers in finance management. On the one hand, it presents an excellent opportunity for Fintech businesses to expand and increase revenue. However, once acquired, buyers must feel valued throughout the entire journey, and this is where retaining customer engagement and maintaining long-term loyalty has become more challenging.

First, this is due to the shifting consumer expectations, who demand faster, more personalised and seamless experiences, which vary based on age group, trust level, or digital literacy, and all these factors need to be considered carefully and continually. The approach also requires gaining relevant knowledge, developing appropriate skills, adopting best practices, investing in recent tech innovations and hiring sufficient human support. Another threat that Fintech companies face is the necessity to keep up with fierce competition, encompassing industry peers and traditional financial institutions embracing digitalisation, as well as numerous cutting-edge startups entering the market, making it harder to shine and differentiate.

These are just some key difficulties and obstacles needing quick intervention and thoughtful addressing. What does it mean for finance technology organisations? Whether it is a digital bank, investment platform, payment provider, financial advisory firm, or any similar entity, creating memorable experiences and fostering lasting connections is paramount. Delivering exceptional CX can lead to remarkable success, user base growth, and brand advocacy. At the same time, a subpar one can result in reputational damage, lack of trust, customer churn, and diminished market presence.

To succeed, companies must embrace a relevant customer-centric strategy that involves personalised interactions across various channels, prioritises security and trust, facilitates onboarding, delivers top-tier support while balancing technology and human touch, and adapts to new engagement methods fueled by evolving technologies.

How can these aspirations become a reality? Dive deeper into our white paper to explore impactful solutions and discover transformative CX strategies tailored for Fintech businesses. Learn how to create a customer experience that makes a difference in this vibrant landscape.

Understanding the Fintech landscape

Fintech is a rapidly growing sector within the financial industry, characterised by remarkable technological advancement and often disruptive solutions meeting the elevated financial needs of tech-savvy consumers. Digitally-first, mobile reach and user-centric experiences are hallmarks of Fintech, resulting in a more convenient, accessible, and cost-effective offering. This reshapes how customers interact with services and engage with their money.

It is worth starting with a brief explanation of the values that the term “Fintech” brings. While an appealing formation of “finance” and “technology”, this illustrates the real-world integration of these components to build state-of-the-art financial products and outstanding experiences beyond conventional services. This also reflects the aspiration of companies from the sector, which typically aim to position themselves as cutting-edge, forward-thinking and high-tech.

Moreover, Fintech is pivotal in driving the transition toward a cashless environment, facilitating diverse financial services through digital and mobile platforms. These refer to areas like, for instance, payments, banking, investment, deposit and lending, insurance, trading and cryptocurrency, capital raising and more. Its growth potential is reflected in many statistics. In 2022, the Fintech market was valued at around 194.1 billion U.S. dollars and is expected to exhibit a 16.8% growth rate [CAGR] between 2024 and 2032, as Expert Market Research estimates. In addition:

Fintech is projected to increase its share from 2% in 2023 to nearly 25% of global banking valuations by 2030, reaching 1.5 trillion U.S. dollars in revenue.

Source: Boston Consulting Group

Fintech users worldwide will likely exceed 7 billion by 2027, compared to 5.62 billion in 2023.

Source: Statista

From 2013 to 2022, Fintech bank assets increased by 105%, surpassing the 75% growth seen in traditional banks.

Source: IMF, PWC

However, a slowdown was noted in 2022, when Fintech investment volume decreased to 164,1 US billion dollars, compared to the recorded 238,9 US billion dollars in 2021. Key factors impacting the stakeholders' decision-making were inflationary pressure, interest rate hikes, limited IPOs, declining valuations, and cryptocurrency market instability. But despite the drop, 2022 is ranked as the third-best year for Fintech investment and the second-highest year for deal volume, as the KPMG experts say across the “Fintech Times”.

Additionally, unlike many industries worldwide, the sector has not suffered significantly during the

pandemic. Due to its particularity, the easy digital access to financial services made Fintech a preferred choice for consumers when remote and contactless solutions, such as online and mobile payment or virtual lending, were in increasing demand. What is also important is that many companies reacted quickly and adapted to a challenging situation. They revised terms, products, and service agreements to meet changing customer needs while emphasising cybersecurity improvement. It is worth noting that, according to Crunchbase, 2021, Fintech businesses invested 21.8 billion U.S. dollars in cybersecurity in 2021, achieving the highest point. It helped Fintech organisations build trust and loyalty, expanding beyond the health crisis period.

Lastly and interestingly, most Fintech organisations originate from the United States and China. In 2022, the largest two were the payment companies Visa and Mastercard, both headquartered in the U.S. A large group constitutes startups that have emerged from various tech hubs worldwide.

In recent years, Fintech companies have become increasingly significant in the global financial system by offering affordable and improved financial products and services, amplifying their quality and reach.

Drew Propson, Head of Technology and Innovation in Financial Services - World Economic Forum

People welcome the convenience of affordable, instant access to manage their money via wealth-tech apps, and Fintech is the “new normal” now. For instance, 90% of U.S. residents already use Fintech services.

Nigel Green, CEO and Founder - The deVere Group

Fintech audience preferences and attitudes

Amidst all this, the contemporary consumer is placed, usually sharing specific characteristics, including being technologically proficient, valuing convenience and time-efficiency, seeking accessibility from anywhere and anytime, appreciating global access, and being well-informed and aware of how to mitigate potential threats when relying on a suitable provider.

However, there are two main groups of Fintech consumers – the youngest generations with the middle age bracket and a growing number of individuals from older age categories. The difference between

them is significant in some points that it is worth paying attention to each more carefully, which, in turn, leads to relevant segmentation, customised targeting, and personalised experiences through the proper channels, and aligning with their unique needs and habits to achieve greater success. Below are some key characteristics of each group:

Younger target (Gen Z and Millennials)

While growing up with technological advancements, these young Fintech customers strongly focus on digital or mobile access to financial services, bank account management or payments.

Morgan Stanley research suggests that 50% to 80% of Gen Z smartphone owners already use mobile banking. In addition, statistics, such as those from the IMF, show that 94% of Millennials actively use online banking services.

The keys to the youngest buyers' hearts are user-friendliness, seamless work and extraordinary convenience, including access to multiple functionalities in one place.

As The Financial Brand uncovers, 54% of this group is willing to switch financial institutions for a better digital experience.

Younger generations usually seek information on finance management and investment in the digital space to grow their financial literacy.

According to "The 2022 Investopedia Financial Literacy Survey", Gen Z individuals usually self-educate, searching for financial advice on social media platforms like TikTok, while Millennials prefer online exploration, including YouTube.

Many young Fintech users tend to be more open and less hesitant when exploring and adopting innovations, such as cryptocurrencies, for example, Bitcoins.

Based on Stilt's study, approximately 94% of cryptocurrency purchasers fall within the 18-40 age bracket, with Gen Z (18-24) and Millennials (25-40) making up the majority.

Youth have high confidence in Fintech brands when considering their financial needs and services.

According to EY insights, 51% of Gen Z respondents and 49% of millennials identified a Fintech company as their most trusted financial brand.

Older generations (Gen X and Boomers)

Older generations exhibit lower adoption rates of Fintech products and services when compared to younger generations.

In 2021, Gen Z and Millennials in the U.S. embraced mobile banking at a rate of over 90%, while Boomers adopted it at 60% and Seniors at just 27%, according to Statista.

These specific age groups are learning and adapting, increasingly recognising the potential and benefits of financial technology solutions.

As per data from deVere Group, the use of personal finance apps surged by almost two-thirds in 2022, with Baby Boomers showing the highest growth rate.

Mature individuals tend to have more conservative investment preferences and greater caution when considering riskier Fintech products.

According to Stilt, Gen X and Boomers comprise a small percentage, while the youngest generation accounts for around 94% of key cryptocurrency users.

Many representatives of Gen X and Boomers are typically fluent in doing online research to grow their Fintech knowledge.

Elderly generations most often seek financial advice on the internet, following Investopedia.

The older generations tend to place less trust in Fintech when considering traditional financial institutions and technology-driven alternatives.

Regarding Statista insights, among respondents above 65, banks enjoyed higher trust levels than Fintech companies in the US in 2021.



A state of the modern Fintech CX: challenges and opportunities

From the early days, building outstanding CX strategies in the Fintech industry presented a dual challenge. The first aspect involved differentiating from the emerging disruptive competitors by fostering loyalty through memorable experiences. Additionally, they needed to contend at another level, attracting consumers committed to the stable and well-established conventional finance and banking institutions, which have enjoyed trust for many years.

Over time, as tech finance became more familiar to a growing number of people and the younger generations entered the scene, who often take technology for granted, the adoption of innovative services grew alongside user demands. Due to these shifts, the landscape of Fintech CX underwent a profound transformation, also facing quite new challenges requiring appropriate navigation, among which the primary are as follows:

1. Adapting to fluctuating demands and expectations is paramount for success in the Fintech sector, involving catering experiences to satisfy customers of different ages, tech literacy, and trust levels. Therefore, the ability to profoundly understand their expectations and how they evolve is the number one issue for further CX activities. It also brings about the need to collect, manage and analyse large datasets from various sources.
2. Investing in cutting-edge innovations should focus on enhancing efficiency rather than just cost optimisation, presenting another challenge. This strategic approach aims to deliver increased speed to customers, improved accuracy, and real-time responsiveness while seamlessly integrating traditional and modern touchpoints, becoming more vital than ever in the post-pandemic era and within the context of the advancing digital and AI revolution.
3. Building trust, facilitating knowledge exchange, and providing personalised care may also be hurdles, necessitating a boost in relevant resources and processes. While these factors significantly influence decisions on entrusting one's savings and other financial matters to the Fintech business, they cannot be underestimated. Especially in times of inflationary pressure when many individuals are more cautious about their finances.
4. Preserving security is critical in Fintech CX, and a comprehensive strategy needs to be upheld without compromises, including robust safety measures, a data privacy policy, adherence to regulatory compliance, and solutions against potential cybercrimes. Relevant protection must be provided for products, services, data and financial assets, while relevant knowledge of legislative requirements should be constantly updated.
5. Hiring and retaining top-tier talent becomes another important issue, as attracting skilled employees with a high level of expertise is getting difficult in a fiercely competitive financial market, where many organisations beyond Fintech compete.

Turning challenges into opportunities

Fintech companies can transform impending hurdles into valuable opportunities through adequate preparation and strategic addressing of crucial CX challenges. This potential is especially pronounced as the industry experiences rapid growth and consumers increasingly change how they interact with financial services toward the virtual realm, which knows no territorial or time limitations. This should reassure businesses that the additional effort and investment made in CX enhancement will ultimately pay off in terms of customer satisfaction, long-term profitability and market relevance.



Top CX strategies for the digital-first finance & banking companies

CX best practices, on the other hand, are specific strategies, actions, or guidelines that international travel and hospitality businesses should follow to make CX work well, enabling its optimisation and promoting ongoing enhancement. These practices are typically informed by industry standards, research and buyer expectations, providing companies with a structured framework for delivering exceptional experiences and achieving their CX goals.

In other words, CX best practices serve as a roadmap in which the components act as tools, offering the methods and data necessary to inform and execute CX strategy effectively. They enable businesses to navigate the path towards exceptional experiences with clarity and precision.

Among the most powerful best practices, having potentially the most considerable impact on travel and hospitality CX efficiency and quality, are:

User-Friendly Design and Rich Functionality: Fintech platforms should feature intuitive interfaces catered to different levels of users' tech-savviness while enabling easy access to comprehensive functionalities. Such solutions help empower customers to efficiently manage their financial affairs without encountering technological difficulties or overly complex navigation.

Simplified Onboarding: The customer onboarding process should be swift, straightforward, and reliable, as its outcome can significantly influence the ongoing engagement of the individual. It should encompass user-friendly information, personalised guidance, a compelling knowledge base, and valuable resources to create a sense of belonging. Moreover, it should extend beyond the initial phase, offering timely follow-up and continuous support without overwhelming buyers with excessive information.

Online Data Security: It is the cornerstone of modern CX strategies in the Fintech sector, essential for organisations prioritising customer-centric initiatives requiring data-driven insights. With data collection, processing, and storage come the significant challenges of ensuring security, privacy, regulation compliance, and transparency regarding data usage and privacy policy. This primarily refers to a set of standards, the so-called Know Your Customer (KYC), which financial institutions use to verify a customer's legal identity. In this case, organisations must balance speed and convenience while ensuring compliance.

Consumer Journey Mapping: This practice allows for the meticulous design of an ideal, personalised, and tailored customer journey that caters to the unique requirements and behaviours of users at various stages, spanning from the initial interaction through the final purchase, service utilisation, and ongoing support. Furthermore, it empowers the segmentation of individuals into precise categories, enabling the delivery of customised actions that best suit their specific needs.

Hyper-personalisation: In the context of Fintech, it means customising interactions at every touchpoint by providing proactive support, tailored recommendations, and personalised communication based on individual user preferences and expectations. With hyper-personalisation, companies can create more engaging and meaningful experiences and improve satisfaction metrics like CSAT and CES. The more accurate processed customer data is, the better the fit and quality of CX.

Omnichannel Experiences: Incorporating omnichannel capabilities is fundamental to the Fintech customer experience strategy. This integration serves to streamline buyer data by consolidating it within a centralised information hub. The primary advantage is creating a comprehensive view of customers and their interactions, ensuring a consistent and cohesive experience, irrespective of the communication channel users prefer. This may include chats, emails, phone calls, text or voice messages, social media, in-apps and more. Nevertheless, it involves providing accurate and relevant information, maintaining a coherent communication approach, and following through on customer commitments. Additionally, it is worth bolstering this approach with a multi-channel, multi-tasking CRM system that helps streamline, manage, and quantify interactions, contributing to continuous enhancements in the digital CX.

Efficient and Trustworthy Support: Fintech customer support must be professional, easily accessible, multilingual and genuinely helpful. Users must receive assistance promptly through appropriate in-person or digital channels. What else greatly enhances experiences is understanding users' specific issues, offering personalised suggestions, providing relevant knowledge and offering recommended solutions. Moreover, it is necessary to boost support processes with routine task automation solutions, ticketing systems or self-services for users, such as intelligent chatbots to replace human agents in addressing simple or basic inquiries, offering help 24/7.

However, connecting with contact centre employees becomes critical for addressing complex issues or decisions, such as guiding individuals in financial management or resolving problems like account discrepancies and fraud claims. Human expertise and empathy are still irreplaceable, precious, and vital to creating a deep emotional connection between consumers and a brand, especially as customers may experience stress, anxiety, or confusion when managing their finances or dealing with unexpected challenges.

Feedback & Improvement: Fintech companies should actively gather and act upon customer feedback to drive continuous improvement. This involves measuring and tracking the success of their CX strategy through relevant metrics and KPIs, focusing on areas like loyalty, satisfaction, operational efficiency, and attrition.

Chime Use Case

Chime, a disruptive neobank, delivers exceptional CX through a mobile app, distinguishing itself in several ways. It boasts robust digital features to ensure a seamless online experience and prioritises customer needs, aligning its services to provide tailored solutions. In addition, Chime has cleverly identified and utilised unique value propositions that resonate with consumers.

Source: The Financial Brand



AI-revolution influence on Fintech CX future

The Fintech industry is undergoing a technological transformation that is progressing and revolutionising how companies operate and interact with customers. AI-driven solutions like machine learning, natural language processing, and deep learning constantly reshape Fintech products and services, making them more digital and customised. These advancements lead to more efficient, faster, enjoyable, and tailored customer experiences.

Embedding AI in Fintech is a growing trend. As per the Mordor Intelligence report, the AI in Fintech market is projected to be valued at 42.83 billion U.S. dollars in 2023 and is anticipated to compound annual growth rate (CAGR) of 2.91% between 2023 and 2028. This progress is driven by the potential of AI to be a game-changer, and one of the critical fields for the enhancement is the Fintech customer experience.

1. First, leveraging AI Fintech companies can achieve breakthroughs, moving beyond traditional analysis while adopting predictive models. This, in turn, provides more precise insights and accurate forecasts, supporting well-informed business decisions and strategic investments in customer experience, focusing on these channels and activities with the highest impact.
2. Additionally, utilising AI in CX processes helps advance companies by unlocking a deeper customer understanding. This helps better identify buyer preferences, gain insights into their perception of a brand, and align with their evolving expectations, enabling Fintech firms to create value-driven, customer-centric CX services that matter for users and impact their loyalty.
3. It is also important to highlight that generative AI, which stands out for its capacity for advanced automation harnessed by tools like ChatGPT, will be pivotal in elevating customer support in Fintech. This is particularly evident in the form of a new generation of chatbots and virtual assistants capable of providing consumers with prompt responses generated in a human-like manner, significantly reducing the necessity for human intervention in many scenarios. A huge advantage of such automation is the ability to scale services while maintaining a high level of CX quality, allowing human agents to be better prepared and available to handle more complex issues requiring direct interactions.

All in all, some of the AI's current and future benefits include, for example:

Precisely optimising the customer journey.

Streamlining onboarding processes.

Personalising experiences.

Enhancing efficiency and productivity in support services by further automating routine tasks.

Offering self-services for customers, available in real-time 24/7.

Assisting customer service agents in resolving inquiries faster by leveraging AI-driven knowledge repositories.

Predicting future behaviours, such as customer attrition rates.

Providing customised recommendations and financial advisory catered to individual's needs.

Ensuring higher security level of data privacy and financial transactions.

Cleo Use case

Established in 2016, Cleo, based in London, leverages AI to analyse and understand users' spending patterns and financial history. This, in turn, fuels personalised recommendations on products, allowing consumers to boost savings. Cleo says AI is crucial in building customer relationships that resonate with their targets.

[Source: Crowdfund Insider]

Summary

Delivering an exceptional customer experience in the Fintech sector can be challenging due to advancing technology, intense market competition, and evolving customer expectations. To succeed, companies must recognise and adapt to these changing dynamics. The crucial step is to develop a well-crafted strategy that aligns with the organisation's unique attributes, objectives, technological advancements, legal compliance obligations, and capabilities. Based on such an approach, financial tech companies can grow, attract and retain loyal customers, and thrive, standing out with experiences that users want to engage in and share.

The time for action is immediate - no need to delay.

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A few words about Conectys

Conectys is a digital-first firm specialising in Customer Experience and Trust & Safety solutions. We excel at delivering cost efficiencies and expediting implementation for companies navigating challenges such as hypergrowth, market disruption, and global expansion. Through flexible, strategic, and digitally inclusive approaches, Conectys collaborates with clients to overcome extraordinary obstacles.

Key Conectys' services are:



Multilingual Customer Experience

24/7/365 customer service and tech support across 35+ languages.



Hybrid Trust & Safety

Ensuring brand-aligned content moderation across platforms, social media, gaming, and the metaverse.



Digital Transformation services

RPA, NLP, Chatbots, automatic translation chatbots, sentiment analysis, voice-to-text, etc



BlueTweak

An agnostic BPaaS platform that enhances clients' CRM capabilities.

Globally disseminated in top BPO locations and with 18+ years in the industry, Conectys is large enough to be a safe partner and experienced enough to be a specialist yet of the right size to be flexible, dynamic and entrepreneurial.

Contact us

Would love to connect with you to discuss how our team at Conectys can help enhance your Trust & Safety and Customer Experience services.

[Let's talk](#)

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