

Bank customers show concerns over mobile banking security in Hong Kong

Digital banking platform seen as key for customer retention

Hong Kong, 29 September 2015 – According to the annual retail banking service survey commissioned by The Hong Kong Institute of Bankers (HKIB), less than 50% of current mobile banking users agree that their mobile banking apps meet their current expectation. Findings show that 1 in 10 respondents moved their primary account to another bank in the past twelve months and unstable performance of the digital banking platform is the top reason for switching banks.

Concerns over security remain the top barrier that discourages customers from using mobile banking apps according to the survey. Almost 80% of those who have not tried and do not intend to try mobile banking apps say that they have security concerns over using an app for banking services, up from 72% last year.

Security concerns also affect the penetration of mobile payment according to the survey. Although the awareness of mobile payment remains high (68%), 78% of this group of respondents have not installed any mobile payment capability, and most of them have no plan to use mobile payment in the next twelve months.

The HKIB, an independent organisation which acts as an industry-recognised training and certifying hub for the local banking community, has been commissioning Cimigo, a third party research company, to conduct an independent study on retail banking service in Hong Kong since 2009.

Commenting on the findings, Ms Carrie Leung, Chief Executive Officer of the HKIB said, “In the new age of retail banking, banks can hardly overlook the omnipresence of mobile devices which is constantly creating both opportunities and challenges to all industry players. The digital platform has become an important channel for banks in engaging with customers. A robust mobile banking platform allows bank customers to manage their finances and investments at anytime from anywhere with confidence. It is hard for banks to capture these opportunities and obtain sustainable growth without having an effective strategy in place to respond to these mobile challenges.”

Mobile subscriber penetration rate in Hong Kong is almost 230% according to the statistics provided by the Hong Kong SAR Government*.

The survey also shows that 74% and 66% of those who conducted stock and foreign currency trading in the past twelve months respectively, see online banking as their sole trading platform. Findings also suggest that nearly half of the transactions relating to insurance, time deposits and funds were conducted online.

“As online and mobile banking services continue to grow, controls and processes to manage cyber security risks are becoming ever more important to banks. As an industry body, the HKIB has the responsibility to ensure that our future direction in training and development should be in line with such development and industry needs.”, said Leung.

The HKIB plans to launch a certificate programme and other supporting courses on technology risks management by first half of 2016. It is expected that more than 300 members will register and attend these courses at the early stage.

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Notes to Editors:

1. * Denotes the figure published by The Office of the Communications Authority on 14 September 2015.

2. The Hong Kong Institute of Bankers (HKIB) retail banking service survey is an independent annual survey commissioned by HKIB and conducted in partnership with Cimigo and Lightspeed GMI since 2009. The survey measures consumer sentiment for the banking and financial services industry and tracks consumer changing needs of banking and financial products and services. The findings are based on an online survey conducted in July, 2015. A total of 457 bank customers aged 25 or above have been surveyed.

About The Hong Kong Institute of Bankers

The Hong Kong Institute of Bankers (HKIB) has been serving the local banking community as an independent organisation in the provision of education and professional training since 1963. The Institute also acts as an industry-recognised training and certifying hub for the local banking community. With an objective to maintain and further develop the territory's status as an international financial centre, the Institute works with the support of banks, regulators, financial institutions, academic institutions and various professional bodies to provide local banking practitioners with professional training and development opportunities. In view of the changing landscape of the banking and financial services industry in Hong Kong and Mainland China as well as on global scale, the importance of continuing to enhance the standards of professional development has gained increased attention. HKIB endeavours to provide and enhance its training and development products in order to equip its members with essential knowledge and skills that meet the industry's needs. In 2014, more than a hundred of training programmes and seminars were delivered by HKIB in Hong Kong, Mainland China and Macau.