

Press release

Contact: Isabel Box
Press & Communications
Tel: + 32 2 302 25 51
Mobile: + 32 485 31 79 63
E-mail: ibox@deloitte.com

Belgian consumers overwhelmingly use smartphones for banking compared to European counterparts

More than 80% of Belgians make payments on their smartphones

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The Deloitte study “EMEA Digital Banking Maturity 2018” compares six Belgian banks with 238 banks and 10 financial technology start-ups (FinTechs) in 38 countries to determine how Belgian banks stack up in terms of their digital services.

- A modern and intuitive mobile user experience is one of the criteria that defines digital champions in banking and distinguishes them from digital adopters and digital latecomers. Compared to consumers in other European countries, Belgians prefer using their smartphones more than logging onto the internet to do their banking. **45% of Belgians have a “mobile first” attitude** when banking. More than **80% also prefer to make payments on their smartphone**, one of the highest scores in Europe, only trailing the Netherlands and Spain.
- **Belgian banks focus on user-friendliness rather than on functionalities.** Because there is a lack of demand from customers from banks to develop more features, the Belgian banks lack the pressure to develop a broader set of digital services compared to countries like Poland and Spain. However, this does not mean that there’s not widespread adoption after a number of years. Belgians start slower, but go further. **In terms of overall digital maturity, Belgian banks find themselves therefore in the back of the pack.**

Banking consumer preferences in Belgium – mobile first

Compared to other European countries, Belgian consumers prefer to use their smartphones over internet banking platforms for everyday transactions. Forty-five percent of Belgians have a “mobile first” attitude when banking.

More than 80% also prefer to make payments on their smartphone, one of the highest scores in Europe, only behind the Netherlands and Spain.

“Belgian consumers have clearly embraced mobile banking. More so than their European neighbours. They prefer to make their payments on their smartphones than on a computer. And the numbers don’t lie: while there were 360,000 mobile banking subscriptions in 2012, the number had risen to 5.88 million six years later. That is an increase of 30% or 1.3 million subscriptions in 1 year in comparison with 2016. ”, says Karel Van Eetvelt, CEO of Febelfin, the Belgian federation of the financial sector.

Belgian banks prefer user-friendliness rather than a broad range of functionalities

Providing a broad variety of digital functionalities to customers is another factor that defines digital maturity. In terms of functionalities offered, such as account opening or day-to-day banking, Belgium is lagging behind, also **because Belgian customers have a less “early adopter” mentality**. Belgian banks fall behind leading countries like Poland, Spain and Switzerland, as well as countries that closely follow the trendsetters such as Finland, France and Norway.

Regarding user experience such as telephone banking and banking via smartphone, Belgian banks score much better. It seems that the strategy has been to prioritise user-friendliness over richness of functionalities.

“These factors are often correlated, but not always. In some countries, market pressure has driven banks to develop digital capabilities at a faster rate than customers expect. These banks invested in their future competitiveness, under the belief that customer preferences will inevitably catch up,” said Olivier de Groote, Financial Services Leader for the EMEA region at Deloitte.

What makes a digital champion?

“Digital champions are banks which 1) provide a broad variety of digital functionalities to their customers, 2) meet or exceed customer preferences in their market, and 3) deliver a modern and intuitive mobile user experience (UX). These banks score in the upper range of each of our three assessments. Examples of digital champions are Poland, France and Spain,” continued de Groote. Despite the user-friendliness of digital banking in Belgium, the limited digital functionalities put Belgian banks in the back of the peloton.

Open Banking and Beyond Banking will be critical to determining the digital champions of the future

The majority of EMEA’s banks are focusing on digitalisation: the transformation of traditional banking products and services from brick-and-mortar into internet and mobile, trying to maintain the status quo: old banking world in new channels.

Meanwhile, there is growing pressure on banks to enter a new world of banking, as a result of changing regulation, mainly the European Revised Payment Service Directive (PSD2), and competition from FinTechs. The digital champions identified in the survey are also leaders in both Open Banking and Beyond Banking. Open Banking is a platform-based business approach where data, processes and business functionality are made available to an ecosystem of customers, third-party developers, FinTech start-ups or partners. Beyond Banking is also platform-based, but provides multiple services to customers in an integrated and coherent suite through an ecosystem of various service providers (e.g. mobility, security, delivery, home security, etc.).

“The digital champions of tomorrow are clearly going to be those financial institutions - it’s not possible to just say ‘banks’ any longer - best prepared for the new world of Open Banking and Beyond Banking,” said Kasper Peters, Financial Services Partner at Deloitte Belgium.

“The trend towards open banking also brings with it the need for extensive collaboration. Banks should cooperate more often, not only among themselves but also with FinTechs and technology platforms. Cooperation is necessary to enable good and fast transformations. After all, the solutions to this are more

often found outside than within the company itself. Cooperation will allow us to strengthen the position of the Belgian banking sector”, says Van Eetvelt.

How to prepare for the future

Both banking incumbents and FinTechs will need to answer two key questions as they prepare for the future: what role do they want to play beyond their traditional/core business and who will they partner with to create a holistic banking ecosystem?

“Banks need to become much better at selecting and partnering with other players and then developing effective marketing approaches,” says Peters.

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About the study

Deloitte member firms across EMEA joined efforts to conduct the most comprehensive and objective assessment of financial institutions’ digital maturity in order to separate the true digital champions from the smart followers, adopters, and digital latecomers.

To answer what makes a “digital champion” the study measured financial institutions’ performance across three critical areas:

- 1) Functionality review of each of the 248 financial institutions across 38 countries. A team of 136 “mystery shoppers” opened current accounts and evaluated each bank’s internet and mobile banking channels to map their offering against 826 functionalities.
- 2) Customer survey of more than 8,000 clients of banks in the same 38 countries to understand customer needs and preferences for each market, and to be able to map each bank’s functionality against consumer expectation in their market.
- 3) User experience (UX) evaluation of mobile banking by customers according to the User Experience Questionnaire (UEQ) framework to supplement the above.

Deloitte in Belgium

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