



Payments And Credentials Vaults:

GAUGING CONSUMER INTEREST

Payments And Credentials Vaults: Gauging Consumer Interest, a PYMNTS and FIS collaboration, seeks to understand consumer's digital habits involved with banking and finance. We surveyed 2,019 randomly drawn U.S. consumers from Sept. 13 to Sept. 18 representing the overall U.S. population with respect to age, gender, education and income.

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PYMNTS | FIS

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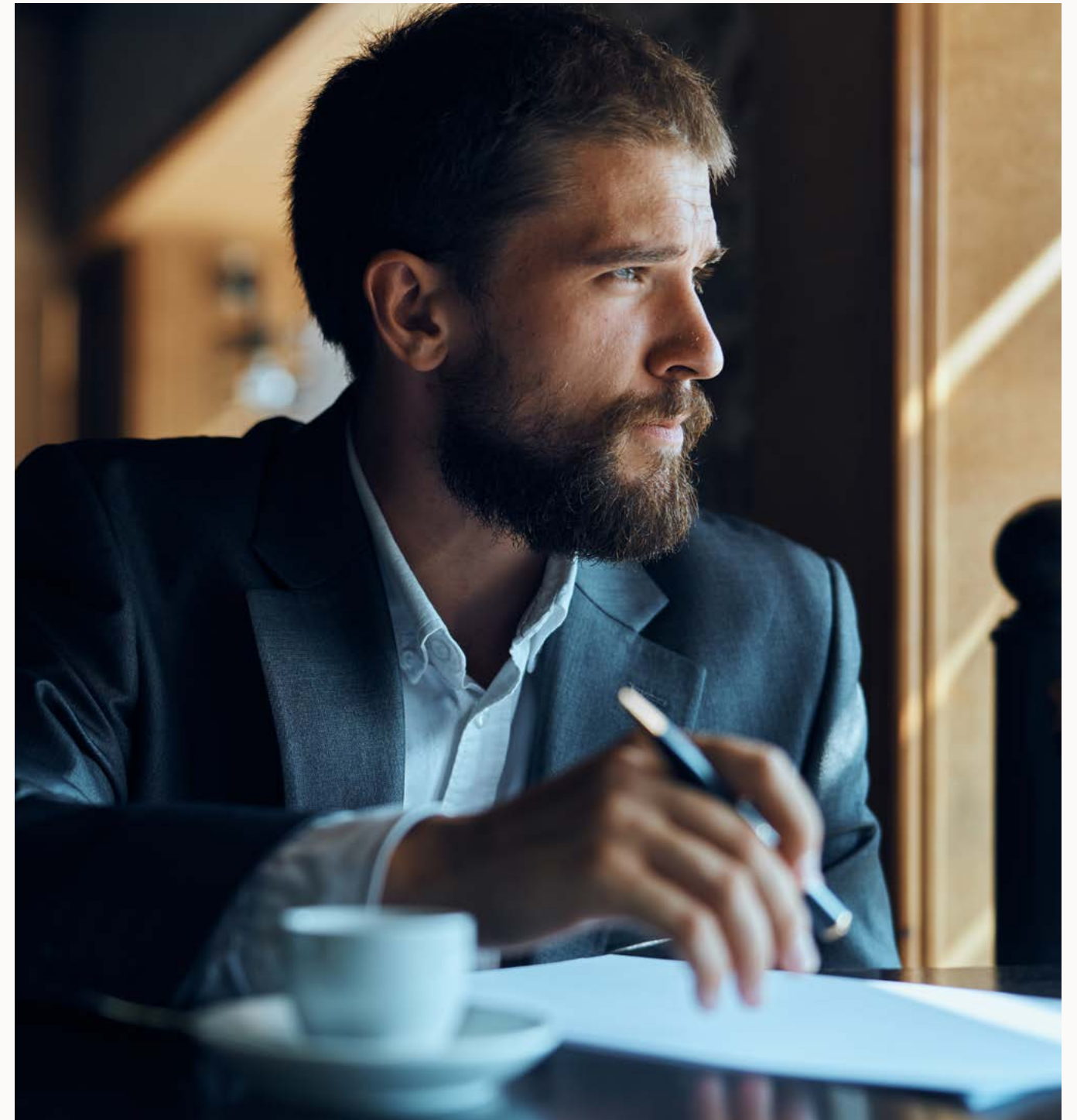
Introduction

The ability to use stored credentials for seamless payments has altered modern commerce: According to our research, 80% of consumers have saved their payment details online, whether on merchants' websites or apps.

Shoppers want a frictionless checkout experience, and most trust their details to multiple eCommerce websites or apps in anticipation of a seamless payment process — but are their expectations routinely met?

Our research reveals mixed findings: Most consumers who store their credentials have experienced friction during checkout — not due to input errors, but because of data theft or outdated payment information. Rather than abandoning storage of their credentials, consumers want a more modern iteration — a credentials vault. This is a secure app that stores and encrypts a consumer's payment credentials and provides these details safely to merchants at the time of payment. A credentials vault also provides a single point of contact for consumers to safely update their personal or account information as needed, without directly providing this to merchants.¹

In **Payments And Credentials Vaults: Gauging Consumer Interest**, a PYMNTS and FIS Global collaboration, we look at how consumer preferences for stored payment credentials management have shifted. The report is based on a census-balanced survey of 2,019 adult consumers in the United States conducted in September 2022.



1. In this report, "credentials" refers to the essential information required for making an online payment, such as the customer's name, billing and delivery addresses, bank account or credit card number, and other personal and financial details.

More than six in 10 consumers recently used stored payment credentials to pay for online products or services, including subscriptions.

Storing payment credentials has become a way of life for most consumers: 56% have between one and 10 stored credentials, and nearly one-quarter have more than 10. Just 20% of consumers do not use any stored credentials.

Eighty percent of consumers have stored credentials on multiple sites, and 61% recently paid for their subscriptions or online purchases using stored credentials.

Millennials and high-income consumers are often the earliest and most enthusiastic adopters of convenience-focused payments technologies, which is true in this case. Our research found that 69% of millennials and 66% of consumers annually earning more than \$100,000 used stored credentials to pay for their subscriptions or online purchases in the last three months.

FIGURE 1A:
Stored credentials use
Share of consumers who paid for subscriptions or online purchases with credentials stored online, by demographic



Source: PYMNTS
Payments And Credentials Vaults: Gauging Consumer Interest, January 2023
N = 2,019: Complete responses, fielded Sept. 13, 2022 – Sept. 18, 2022

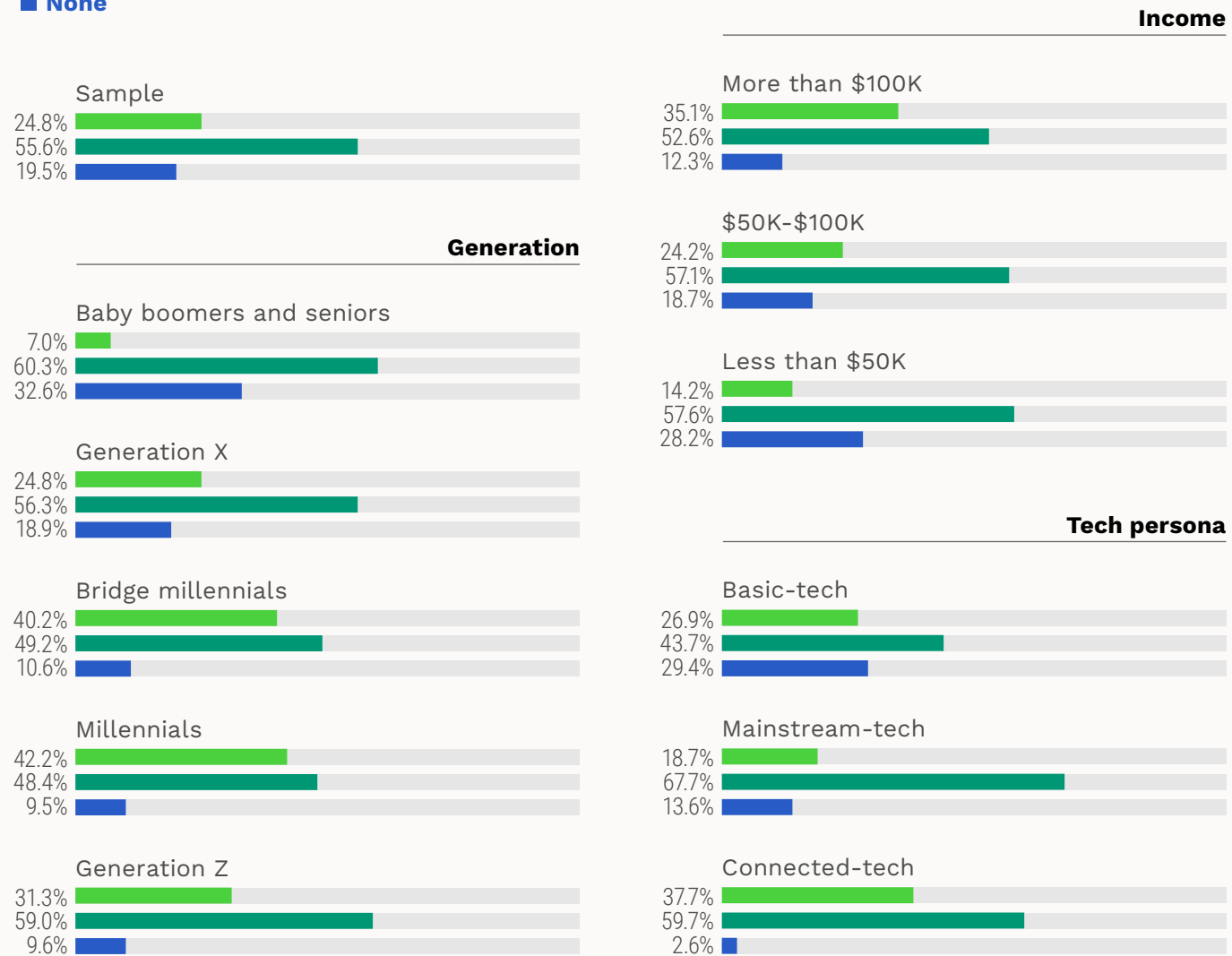
*Our generational groups are defined as follows: Generation Z, 25 years old or younger; millennials, 26 to 41 years old; bridge millennials, 34 to 44 years old; Generation X, 42 to 57 years old; baby boomers, 58 to 76 years old; seniors, 77 years old and older. Bridge millennials are a group of older millennials and younger members of Generation X and represent a cohort that has the tech-savviness present among younger age groups but with greater spending power, as they have been established in their careers for longer.

FIGURE 1B:

Stored credentials use

Share of consumers with a given number of stored credentials, by demographic

- More than 10
- Between one and 10
- None



Source: PYMNTS
 Payments And Credentials Vaults: Gauging Consumer Interest, January 2023
 N = 2,019: Complete responses, fielded Sept. 13, 2022 – Sept. 18, 2022

CONSUMERS' TECH PERSONAS

Basic-tech consumers

These consumers use computers/smartphones primarily and exhibit low overall ownership of devices, possessing one to two devices on average.

Mainstream-tech consumers

These consumers use computers/smartphones primarily and exhibit low overall ownership of devices, possessing one to two devices on average.

Connected-tech consumers

These consumers have all the devices that mainstream users have, but they also incorporate smart home and activity tracking devices into their ecosystem. They own seven to eight devices on average.

Fifty-five percent of consumers who store payment credentials have experienced checkout disruptions, such as expired or stolen cards.

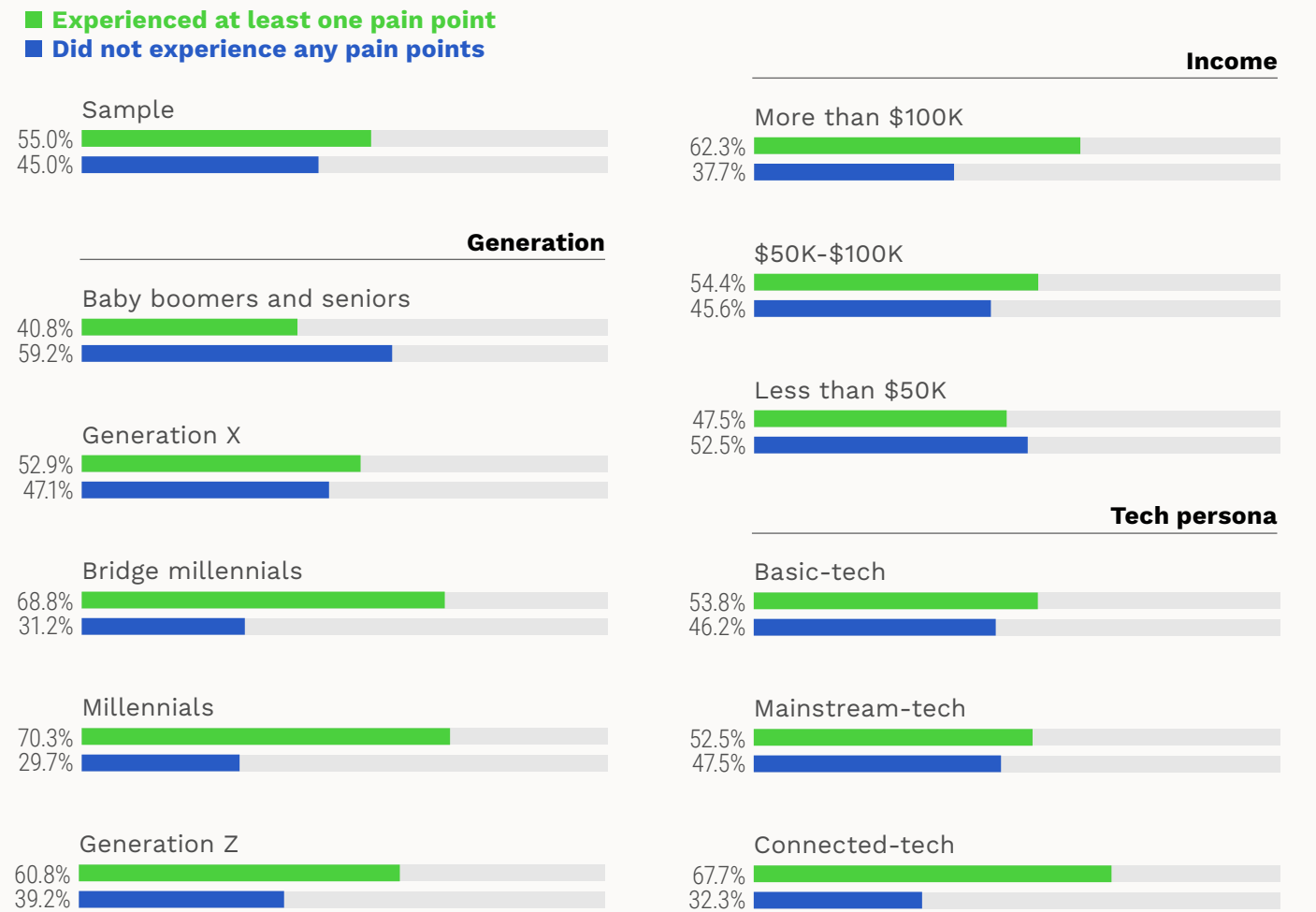
The promise of stored credentials is convenience, yet more than half of consumers experienced friction that halted their payments at checkout. Pain points occur somewhat more frequently with manual credentials updates, with 47% of consumers saying that they encountered a problem related to this method. However, 37% of respondents ran into issues with credentials that merchants automatically update, indicating that this approach is not much better.

The most active stored credential users — millennials, high-income consumers and connected-tech consumers — are most likely to experience friction with their payment credentials. Our research found that 70% of millennials, 62% of high-income consumers and 68% of connected-tech consumers experienced issues related to their payment credentials in the last 12 months.

Forty-one percent of baby boomers and seniors, 48% of low-income consumers and 54% of basic-tech consumers also faced stored payment issues in that time.

FIGURE 2A:
Consumers who experienced pain points with payment credentials

Share of consumers who did or did not experience pain points with payment credentials in the last 12 months, by demographic



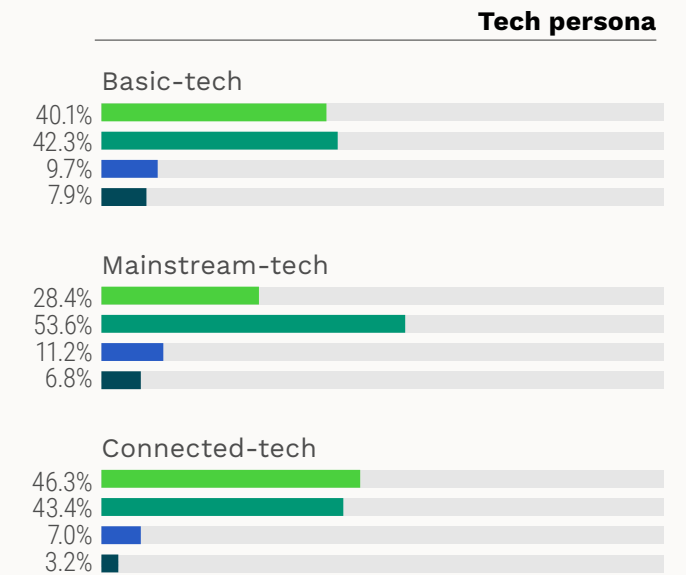
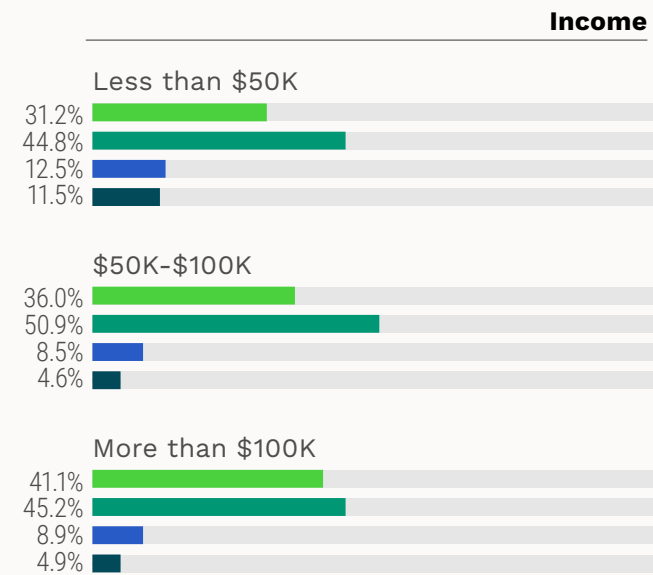
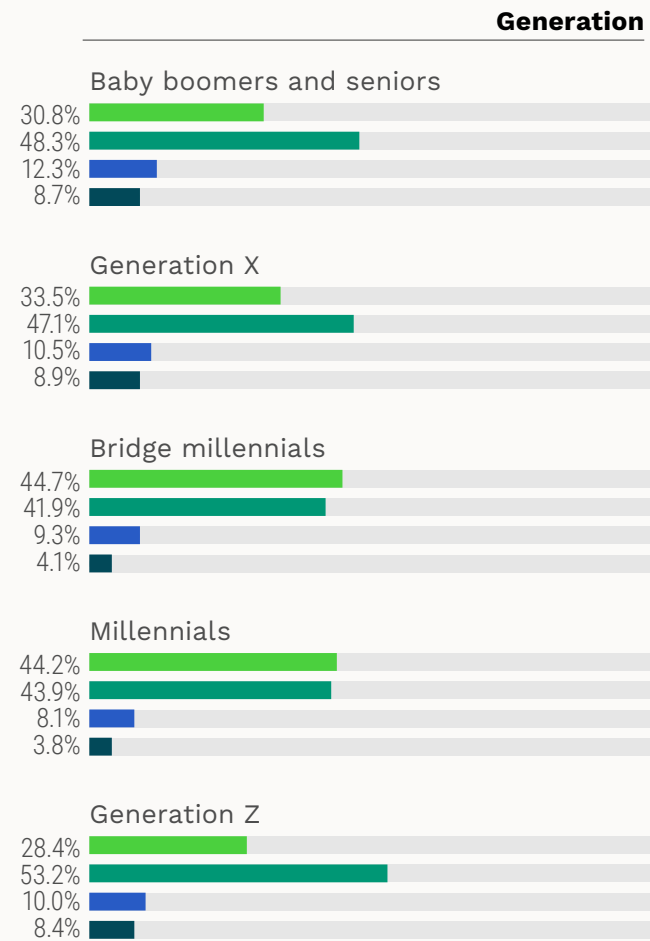
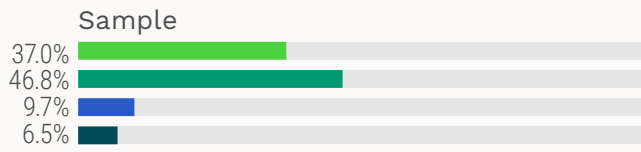
Source: PYMNTS
Payments And Credentials Vaults: Gauging Consumer Interest, January 2023
N = 2,019: Complete responses, fielded Sept. 13, 2022 – Sept. 18, 2022

FIGURE 2B:

Consumers who experienced pain points with payment credentials

Share of consumers who experienced issues with payment credentials in the last 12 months, by method of credentials update and demographic

- Automatically updated by the merchant
- Manually update by user or merchant
- Not updated, stopped using that method
- Not sure/do not know



Source: PYMNTS
 Payments And Credentials Vaults: Gauging Consumer Interest, January 2023
 N = 2,019: Complete responses, fielded Sept. 13, 2022 – Sept. 18, 2022

Many consumers are now showing interest in an alternative model of stored credentials that can limit pain points at checkout.



ISSUES EXPERIENCED AMONG STORED CREDENTIAL PERSONAS

CONSUMERS WHO EXPERIENCED ISSUES WITH THEIR PAYMENT CREDENTIALS IN THE PAST YEAR

No stored credentials: These consumers experienced at least one issue with their credentials in the past year and have no stored credentials to make online payments. They represent 6% of consumers and are predominantly from older generations, such as baby boomers and seniors.

Between one and 10 stored credentials: These consumers experienced at least one issue with their credentials in the past year and have between one and 10 stored credentials to make online payments. This group represents 29% of consumers, tends to be younger and contains members of the connected-tech persona.

More than 10 stored credentials: These “super storers” experienced at least one issue with their payment credentials in the past year and have more than 10 stored credentials. They make up 19% of consumers and are mostly comprised of millennials, bridge millennials, high-income consumers and connected-tech consumers.

CONSUMERS WHO DID NOT EXPERIENCE ISSUES WITH THEIR PAYMENT CREDENTIALS IN THE PAST YEAR

No stored credentials: These consumers have not experienced issues with their payment credentials in the past year, nor do they have stored credentials for their online payments. They represent 13% of consumers and are mostly basic-tech consumers and members of older generations, such as baby boomers and seniors.

Between one and 10 stored credentials: This group of consumers has not experienced issues with their payment credentials in the past year despite having between one and 10 stored credentials. This group makes up 26% of consumers and is characterized by the presence of mainstream-tech consumers.

More than 10 stored credentials: These “super storers” have not had issues with their payment credentials in the past year and have more than 10 stored credentials. This group represents 6% of consumers with no standout demographic group.

Forty percent of consumers are highly interested in a payments and credentials vault that securely holds and updates payment information.¹

The idea of a single, secure credentials vault that can be used across a range of merchants strongly appeals to consumers. We found that two-thirds of respondents feel at least somewhat open to using a payments and credentials vault, and 40% indicate they are very or extremely interested.

Three key groups stand out as showing the highest levels of interest: consumers who store at least 10 credentials, those who experience issues with stored credentials, and connected-tech consumers. Sixty-four percent of consumers with 10 or more stored credentials who experienced issues are highly interested in using a payments and credentials vault, and 43% of “super-storers” who have not encountered issues say the same. Meanwhile, 59% of connected-tech consumers show strong interest in using a payments and credentials vault.



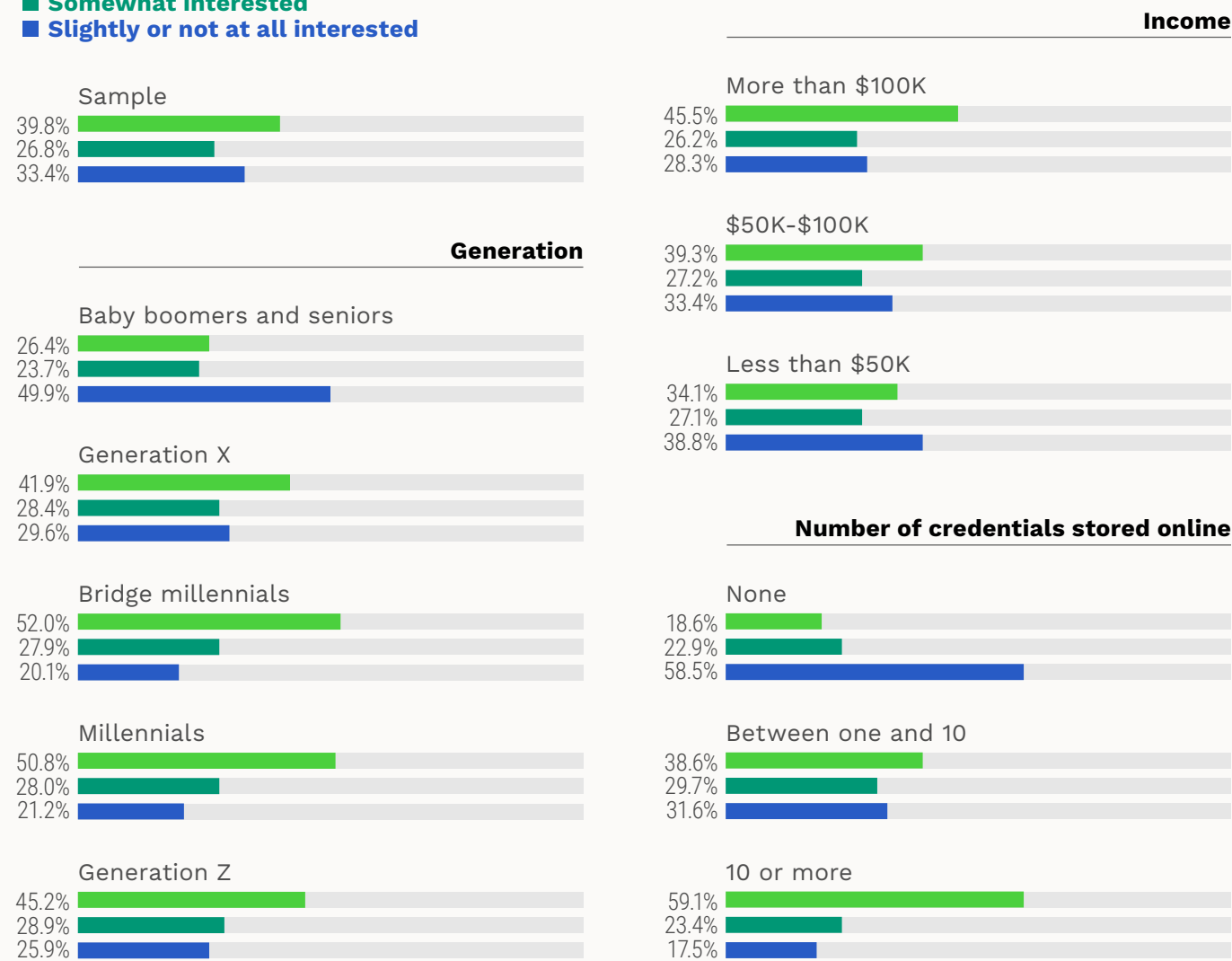
¹ A payments and credentials vault is an app that aggregates consumers' payment information and stored credentials in a secure and protected environment. This app also automatically updates the payment information merchants use when consumers add new payment methods or change account numbers. This app would be highly secure and would encrypt card information so that, even if attacked, the information would be of no use to a fraudster.

FIGURE 3A:

Consumers' interest in a payments and credentials vault

Share of consumers interested in using a payments and credentials vault, by demographic

- Very or extremely interested
- Somewhat interested
- Slightly or not at all interested



Source: PYMNTS
 Payments And Credentials Vaults: Gauging Consumer Interest, January 2023
 N = 2,019: Complete responses, fielded Sept. 13, 2022 – Sept. 18, 2022



40% of consumers are very or extremely interested in using a payments and credentials vault.

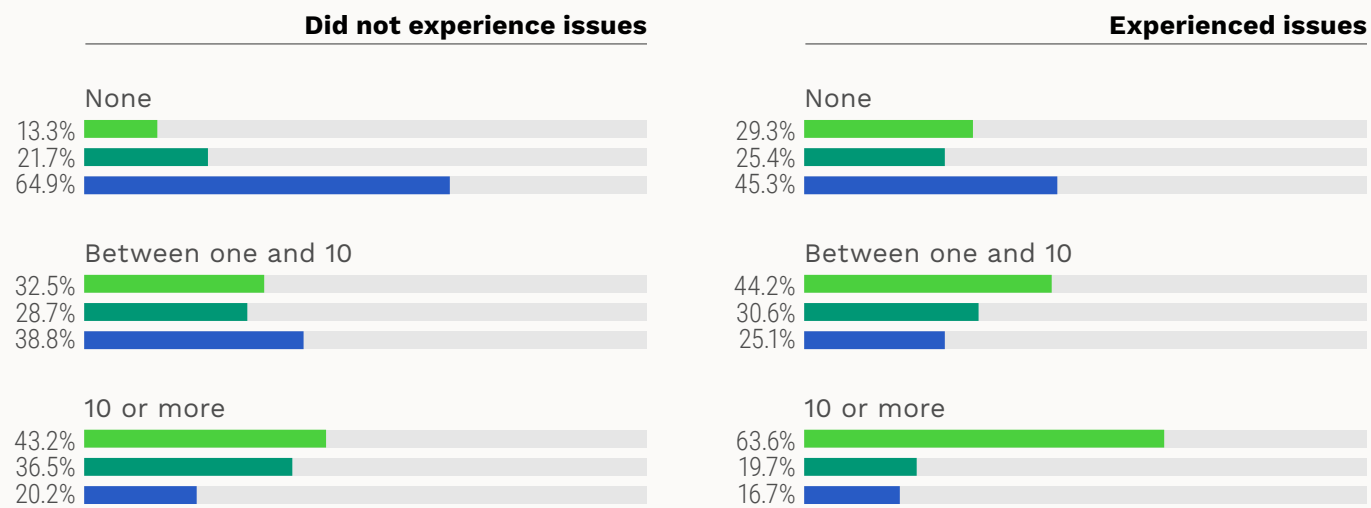
Equally, the demographic segments with the lowest current use of stored credentials show the least interest in a credentials vault. Just 26% of baby boomers and seniors are highly interested in using a payments and credentials vault, compared to 34% of respondents earning less than \$50,000 per year. On the other hand, more than 50% of millennials and bridge millennials show strong levels of interest versus 46% of those earning more than \$100,000.

FIGURE 3B:

Consumers' interest in a payments and credentials vault

Share of consumers interested in using a payments and credentials vault, by whether they experienced issues with stored payment credentials and number of stored credentials

- Very or extremely interested
- Somewhat interested
- Slightly or not at all interested



Source: PYMNTS
 Payments And Credentials Vaults: Gauging Consumer Interest, January 2023
 N = 2,019: Complete responses, fielded Sept. 13, 2022 – Sept. 18, 2022



Most consumers would consider using a payments and credentials vault if it meant a faster checkout experience.

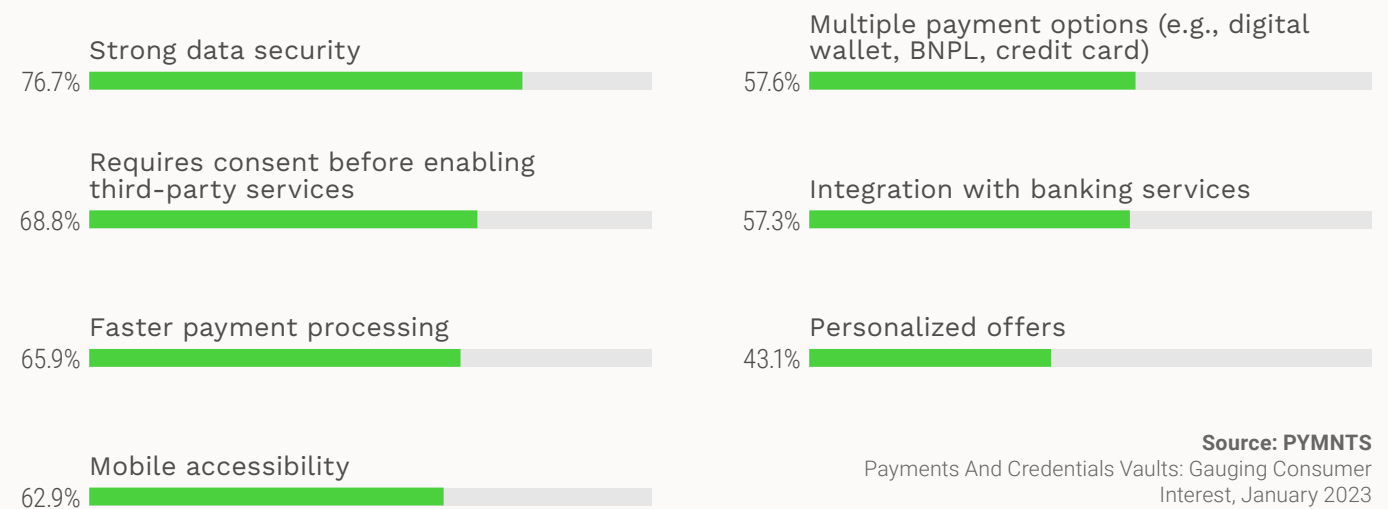
Consumers identify several features and benefits that would encourage them to use a payments and credentials vault. Among respondents who show at least a slight interest in using a vault, strong data security stands as the top motivator, with 77% identifying this as a highly influential factor. Close behind are requiring consent before enabling third-party services, at 69%, and processing payments faster, at 66%. Notably, 73% of consumers who experienced issues and have more than 10 stored credentials cite faster checkout as a factor that would strongly encourage them to adopt a payments and credentials vault.

Personalized offers are the least influential factor in consumers' interest in using a payments and credentials vault, although 43% of consumers still identify it as a key motivational feature. Consumers who experience issues and have stored credentials are more likely to consider all of these features important.

FIGURE 4:

Features influential in encouraging vault usage

Share of consumers citing select features as very or extremely influential in encouraging use of a payments and credentials vault



Source: PYMNTS
 Payments And Credentials Vaults: Gauging Consumer Interest, January 2023
 N = 1,625: Respondents who are at least slightly likely to use an app that automatically aggregates and updates all payment information and stored credentials, fielded Sept. 13, 2022 – Sept. 18, 2022

Access to a payments and credentials vault will encourage consumers to switch merchants.

We found that more than half of consumers who experienced issues and have more than 10 stored credentials are highly likely to switch to merchants that provide a link to a payments and credentials vault.

Overall, 58% of all consumers are at least somewhat likely to switch to merchants that link their services to a payments and credentials vault. In addition, 57% of consumers highly interested in a payments and credentials vault are extremely likely to switch to merchants that link to such an offering.

Consumers are also open to a bank-managed vault. More than half of consumers trust their primary banks to provide a payments and credentials vault service.

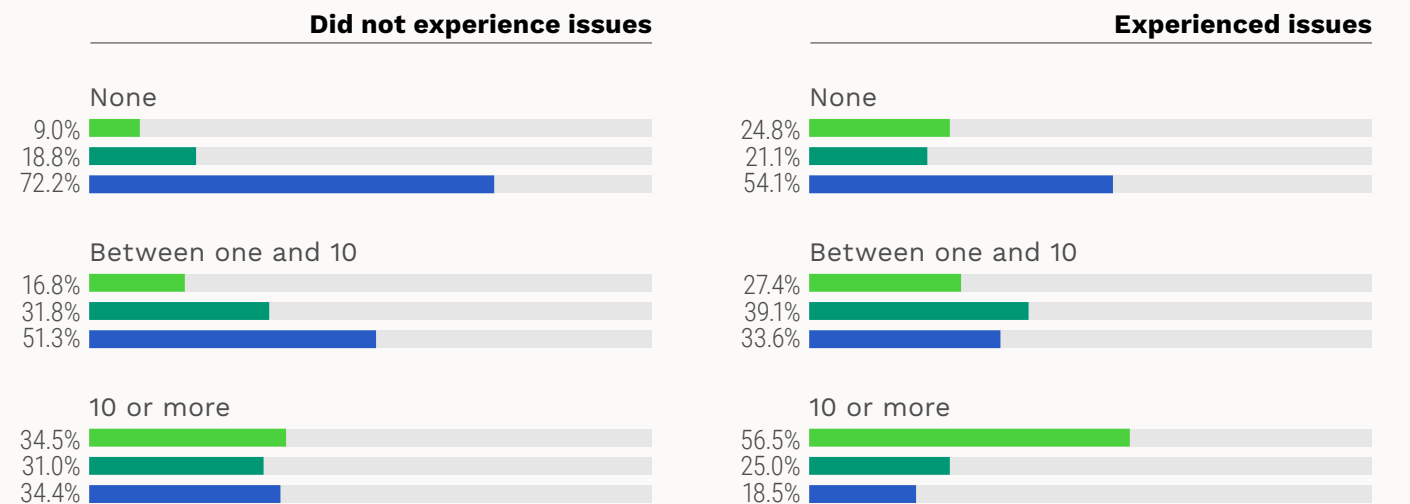
Millennials and bridge millennials stand out as the demographics most engaged with stored payments credentials and most open to using a payments and credentials vault and are also the most interested in switching to merchants that link to one. Our survey showed that 44% of millennials and 43% of bridge millennials are very or extremely likely to switch merchants for this reason, but just 12% of baby boomers and seniors are as likely to switch.

FIGURE 5A:

Access to a payments and credentials vault

Share of consumers citing the likelihood they would switch to a merchant that links to a payments and credentials vault, by whether they experienced issues and number of stored credentials

- Very or extremely likely
- Somewhat likely
- Slightly or not at all likely



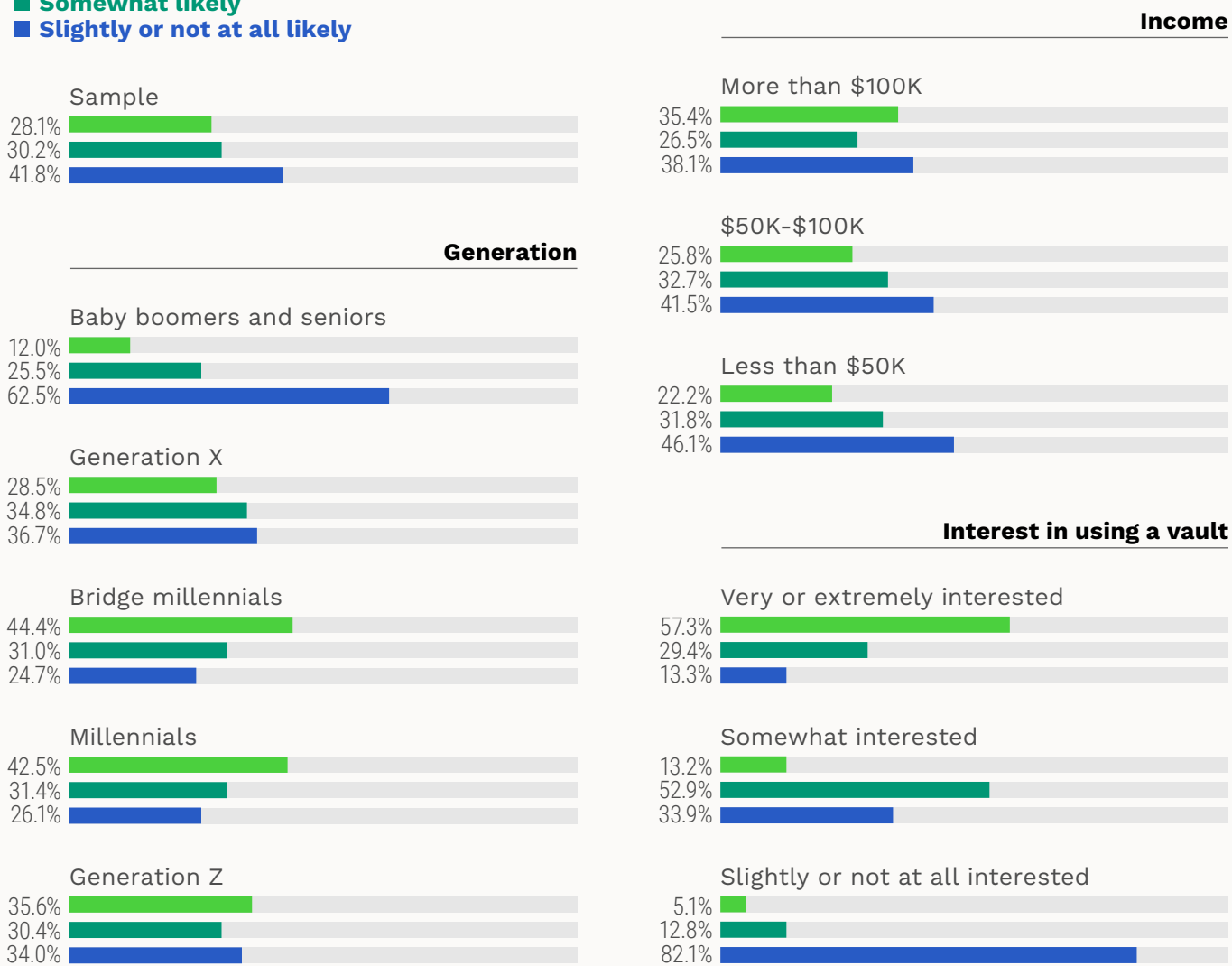
Source: PYMNTS
 Payments And Credentials Vaults: Gauging Consumer Interest, January 2023
 N = 2,019: Complete responses, fielded Sept. 13, 2022 – Sept. 18, 2022

FIGURE 5B:

Access to a payments and credentials vault

Share of consumers citing the likelihood they would switch to a merchant that links to a payments and credentials vault, by demographic

- Very or extremely likely
- Somewhat likely
- Slightly or not at all likely



Source: PYMNTS
 Payments And Credentials Vaults: Gauging Consumer Interest, January 2023
 N = 2,019: Complete responses, fielded Sept. 13, 2022 – Sept. 18, 2022



28%

of consumers would be very or extremely likely to switch to a merchant that uses a payments and credentials vault.

Conclusion

Stored credentials promise convenience and frictionless payments, but inconsistent user experiences have caused many in the most tech-engaged demographics to be open to a better solution. Enter the payments and credentials vault.

While many consumers worry about data security and privacy, most are willing to trust select merchants and banks with their data in exchange for a faster, more secure checkout and payment experience. A payments and credentials vault enables merchants to deliver greater value and convenience to existing customers while engaging new market segments.



Methodology

Payments And Credentials Vaults: Gauging Consumer Interest, a PYMNTS and FIS Global collaboration, seeks to understand consumers' digital transformation with respect to their banking and financial habits. For this report, we conducted a randomly drawn consumer-based survey of 2,019 U.S. consumers from Sept. 13 to Sept. 18 representative of the U.S. population with respect to age, gender, education and income.

About

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