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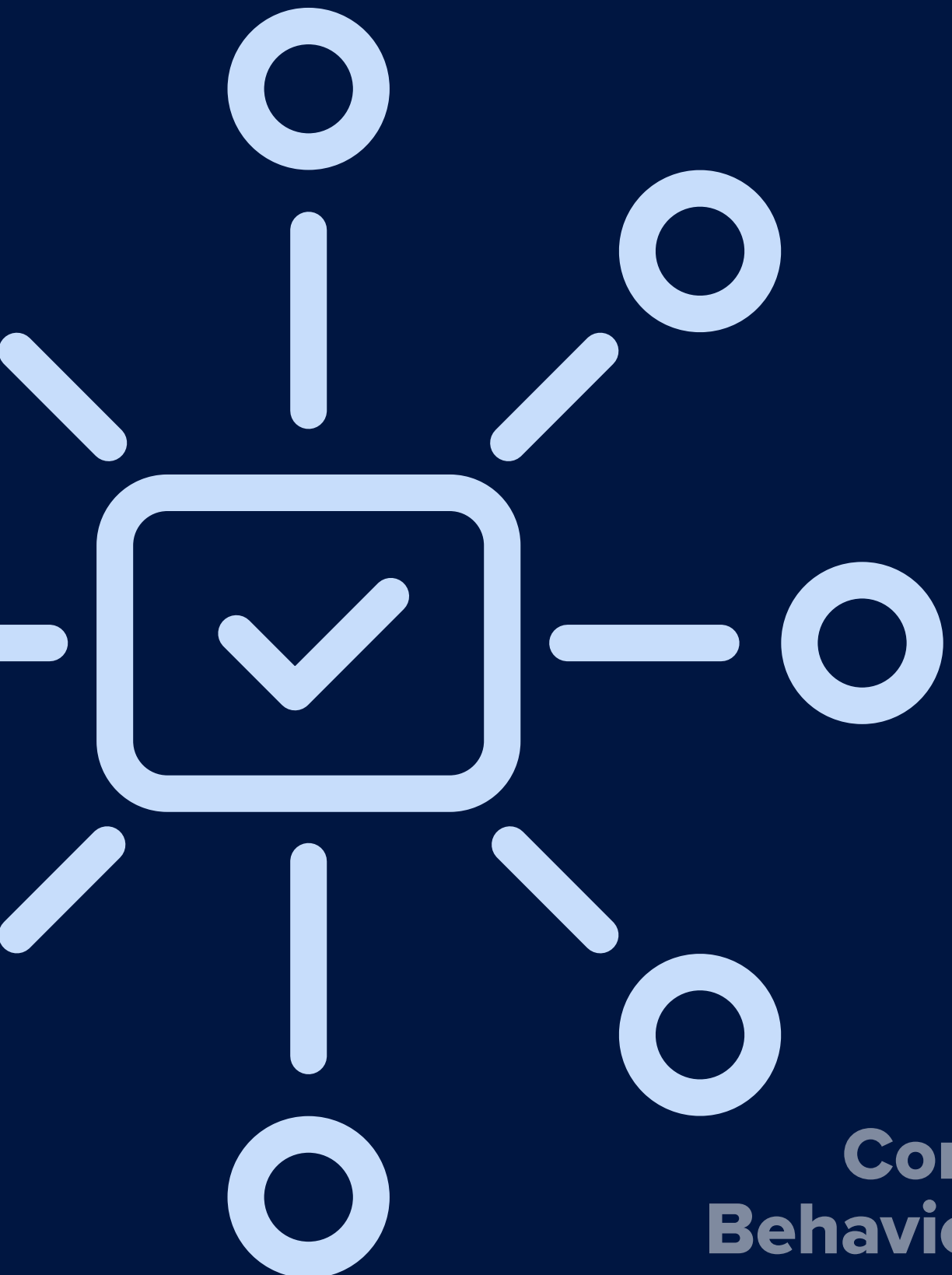
# Consumer Behaviors and Perceived Security

## Across Devices

April 2023 ■

**Consumer Behaviors and Perceived Security Across Devices, a PYMNTS and Entersekt collaboration, examines consumers' authentication preferences for online financial transactions. This report is based on a census-balanced survey of 2,584 U.S. consumers conducted between Sept. 26, 2022, and Oct. 3, 2022.**





# Consumer Behaviors and Perceived Security

Across Devices

## Table of Contents

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Introduction . . . . .	04
Younger generations embrace mobile-first finance . . . . .	08
Smartphones take the lead in key activities . . . . .	12
Trust but verify. . . . .	18
Conclusion . . . . .	22
Methodology. . . . .	23

Consumer Behaviors and Perceived Security Across Devices was produced in collaboration with Enterspekt, and PYMNTS is grateful for the company's support and insight. [PYMNTS](#) retains full editorial control over the following findings, methodology and data analysis.



# Introduction

Consumers face an alarming range of security threats as they bank online and manage their digital financial lives, and they want a more prominent role in mitigating these risks. At the same time, the rise of smartphones has reshaped the security landscape, and most consumers now use these devices rather than computers as their go-to method for online financial activities and transactions.

PYMNTS' latest study shows that smartphones are already the device of choice for Generation X and younger consumers. Baby boomers and seniors are the only generation still conducting most online financial activities on a computer. While most banking consumers believe that smartphones and computers are equally secure for higher-risk online financial activities, the perception that smartphones are more secure is rapidly rising.

Our research reveals that consumers want to be in control of their financial security. We find that 57% of respondents said they trust their banks to protect their money and identity, and

consumers widely prefer to authenticate their accounts and transactions manually. Multifactor authentication (MFA) is becoming increasingly important: 83% of banking customers want to use MFA when accessing their bank accounts with a device for the first time. However, these and other key security perceptions vary significantly between consumers who prefer using smartphones and those who opt for computers, highlighting the centrality of device preferences in financial institutions' (FIs') digital security strategies.

To empower banking consumers and bolster their trust in digital financial services, FIs must prioritize robust multi-channel authentication strategies. Consumer Behaviors and Perceived Security Across Devices, a PYMNTS and Entersekt collaboration, examines how consumers' device preferences are linked to their perceptions of digital security when conducting online financial activities and transactions. This report is based on a census-balanced survey of 2,584 United States consumers conducted between Sept. 26, 2022, and Oct. 3, 2022.

**This is what we learned.**

## **A mobile-first mindset directs younger generations' online financial behavior.**

Nearly 1 in 6 retail banking customers favored using smartphones to complete online financial activities and transactions during the 30 days prior to being surveyed. Generation Z leads this trend at 71%, followed closely by millennials at 68% and bridge millennials at 66%. Even most Gen X banking consumers prefer smartphones for digital financial activities and transactions, with just baby boomers and seniors tending to opt for computers.

## **Most consumers see smartphones and computers as equally secure for online financial transactions.**

Fifty-seven percent of consumers believe smartphones and computers are equally secure for sending and receiving money, and 56% said the same for accessing bank accounts. Slightly larger shares of consumers consider smartphones more secure than computers for sending and receiving money and for making online purchases, while the opposite is true for accessing bank accounts and paying bills, rent, or loan payments.

## **Trust alone is not enough: Banking customers who demand more control over their online financial security want routine verification and MFA options.**

Fifty-two percent of banking customers want to authenticate their identities each time they access their bank accounts, and 47% said the same for sending and receiving money to and from family and friends. To minimize the risk of fraud, 83% of banking consumers want MFA for higher-risk and infrequent activities and 62% want MFA for routine transactions. More than half even prefer MFA for low-risk transactions such as paying bills, rent or loans.



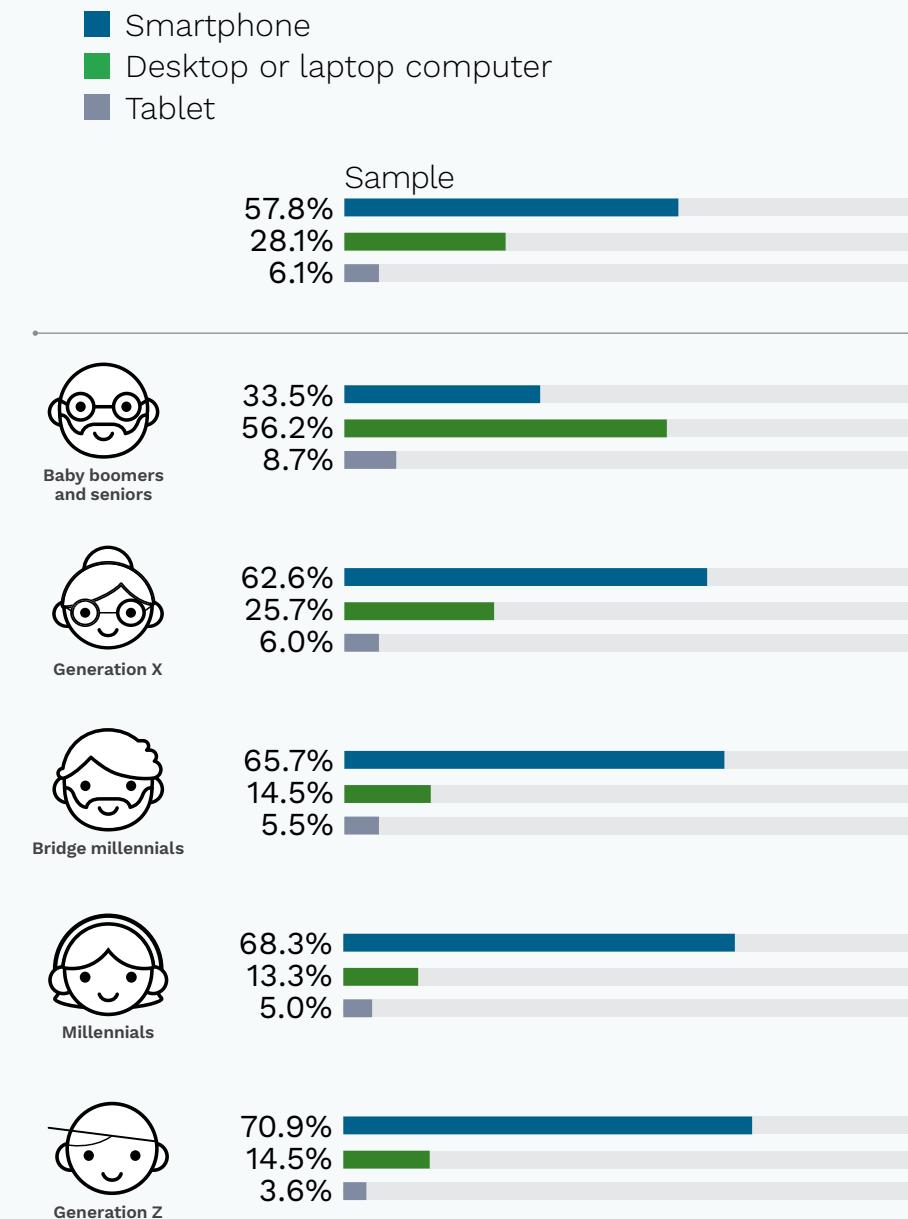
## Younger generations embrace mobile-first finance

The unstoppable rise of smartphones places the devices center stage in the financial lives of younger consumers. PYMNTS' latest research shows that across all age bands other than baby boomers and seniors, banking customers increasingly favor using their smartphones to conduct online financial activities and transactions by wide margins. Fifty-eight percent of retail banking customers reported smartphones as their go-to devices for online financial activities for the 30 days preceding our survey.

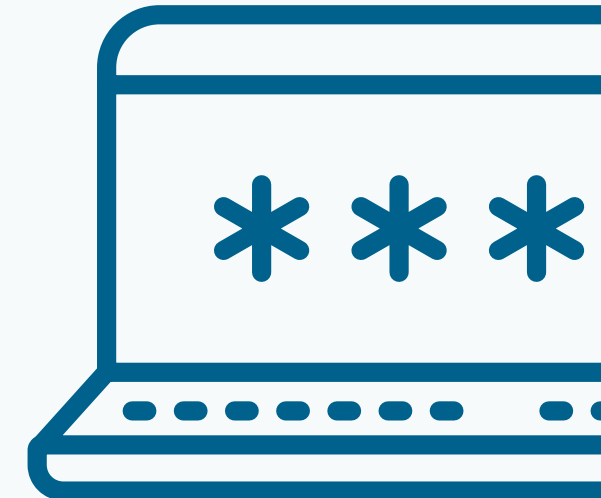
Young consumers lead the charge, with 71% of Gen Z respondents reaching for their smartphones more frequently than other devices to complete online financial activities. Millennials and bridge millennials were not far behind, at 68% and 66%, respectively. Most Gen X banking customers favor smartphones for digital financial activities, with 63% of respondents in this age group reporting that they chose mobile over desktop more often than not.

**FIGURE 1:**  
**Preferred devices for transacting**

Share of consumers citing their most used device for online transactions in the 30 days prior to being surveyed, by generation



**Source: PYMNTS**  
Consumer Behaviors and Perceived Security Across Devices, April 2023  
N = 2,437: Respondents who made select online transactions in the 30 days prior to being surveyed, fielded Sept. 26, 2022 – Oct. 3, 2022








Baby boomers and seniors buck this trend, with an overall reliance on computers over smartphones. Just 34% use smartphones for most of their online financial activities and transactions, while 56% prefer computers. These older consumers are also 64% more likely than the average consumer to believe computers are more secure than smartphones. We note, however, that when it comes to sending or receiving money to and from family and friends, 54% of baby boomers and seniors tend to reach for smartphones and just 35% for computers.

# 54%

**of baby boomers and seniors prefer smartphones for transferring money to or from friends and family.**

**TABLE 1:**  
**The role of smartphones**

Share of consumers who used smartphones most often for select online transactions in the 30 days prior to being surveyed, by generation

	 Generation Z	 Millennials	 Bridge millennials	 Generation X	 Baby boomers/seniors
<b>Sending or receiving money to and from family or friends</b>	77.8%	73.9%	72.7%	74.8%	53.7%
<b>Paying for goods and services</b>	70.2%	74.7%	71.1%	67.8%	34.2%
<b>Accessing my bank account</b>	77.1%	73.3%	70.8%	69.0%	35.5%
<b>Paying bills, rent or loan payments</b>	31.7%	33.3%	31.8%	30.0%	16.2%

Source: PYMNTS

Consumer Behaviors and Perceived Security Across Devices, April 2023  
N varies based on the type of activity completed, fielded Sept. 26, 2022 – Oct. 3, 2022





## Smartphones take the lead in key activities

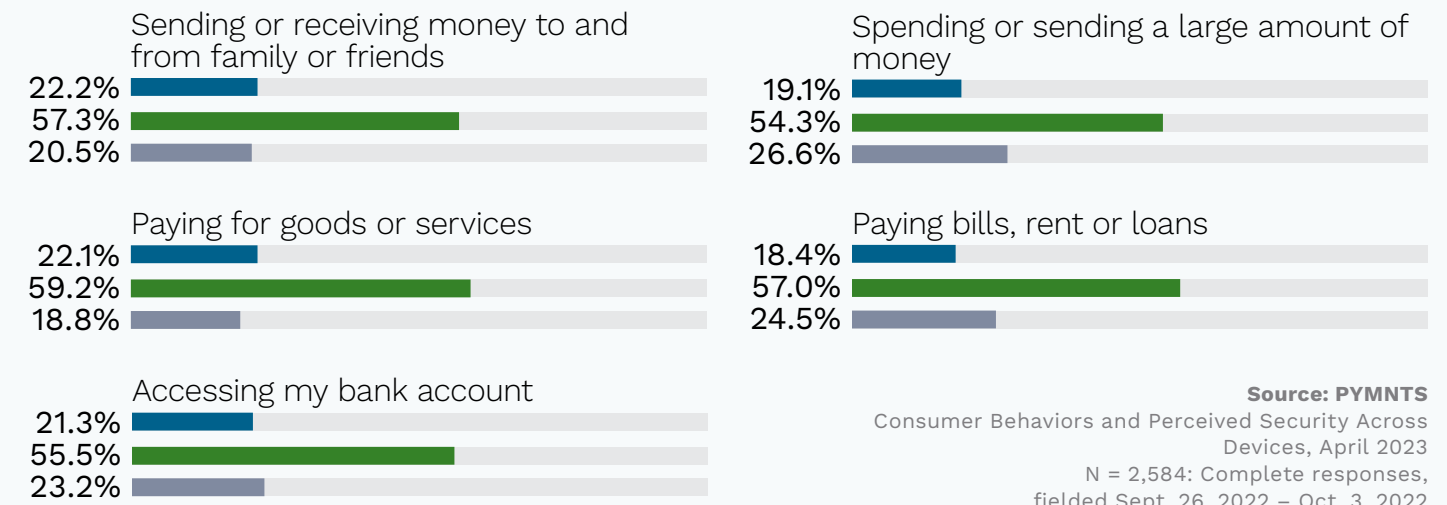
Smartphones are no longer fringe for higher-stakes online financial activities and transactions. PYMNTS’ data finds that 57% of banking customers now believe smartphones and computers are equally secure for sending and receiving money to or from family or friends, and 56% equally trust these devices when accessing their bank accounts.

Our research finds that smartphones have edged out computers in terms of perceived security for sending and receiving money, with 22.2% of consumers saying mobile devices provide more security and 20.5% of consumers saying the same about computers. When paying for online purchases, 22.1% say smartphones are more secure, and 18.8% say computers are. However, consumers still narrowly prefer computers over smartphones for accessing bank accounts and paying bills.

**FIGURE 2:**  
Perceived device security

Share of consumers agreeing with select statements about device security for select online transactions

- Mobile devices provide more security
- Mobile devices and computers are equally secure
- Desktop or laptop computers provide more security



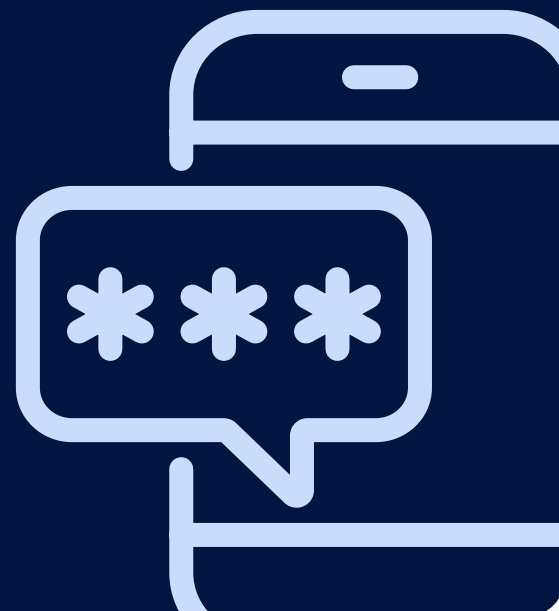
**Source: PYMNTS**  
Consumer Behaviors and Perceived Security Across Devices, April 2023  
N = 2,584: Complete responses, fielded Sept. 26, 2022 – Oct. 3, 2022

**59%**

**of consumers view mobile devices and computers as equally secure for making purchases.**

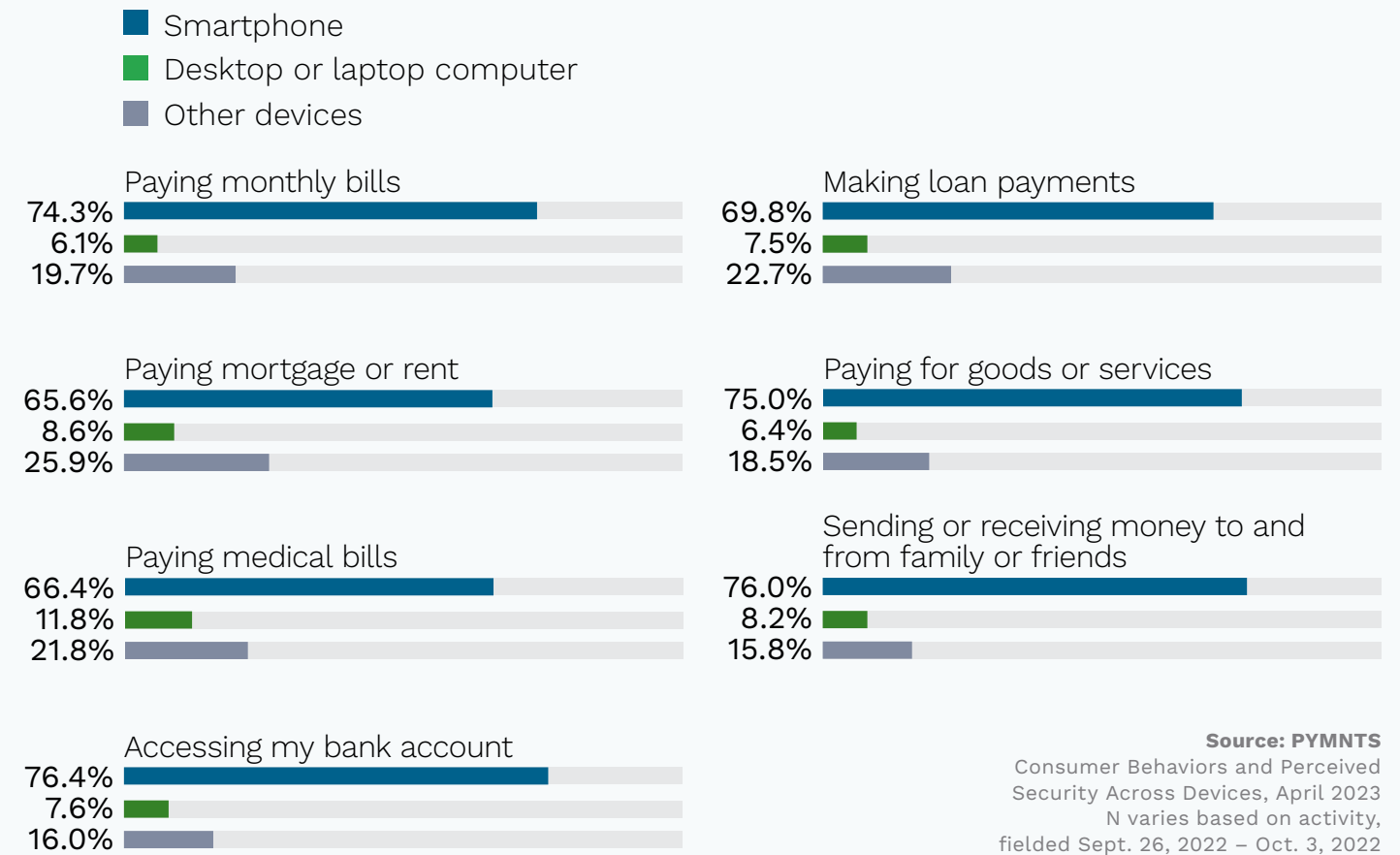
These perceptions greatly depend on which device consumers prefer using for online financial activities. Those who prefer smartphones tend to view computers as less secure and vice versa. For example, 76% of consumers who believe smartphones are more secure are more likely to use them for personal cash transfers, while just 8.2% of this cohort would instead use a computer. We note nearly identical numbers among this group for bank account access and a similar trend across the other key activities we analyzed, with between 66% and 76% using smartphones and just 6.1% to 12% using computers for all activities.

**76%**  
of consumers who believe smartphones are more secure are more likely to use them for personal cash transfers.



**FIGURE 3:**  
**Device usage among those who trust smartphones**

Share of consumers who think smartphones are more secure than computers and use select devices to complete certain transactions



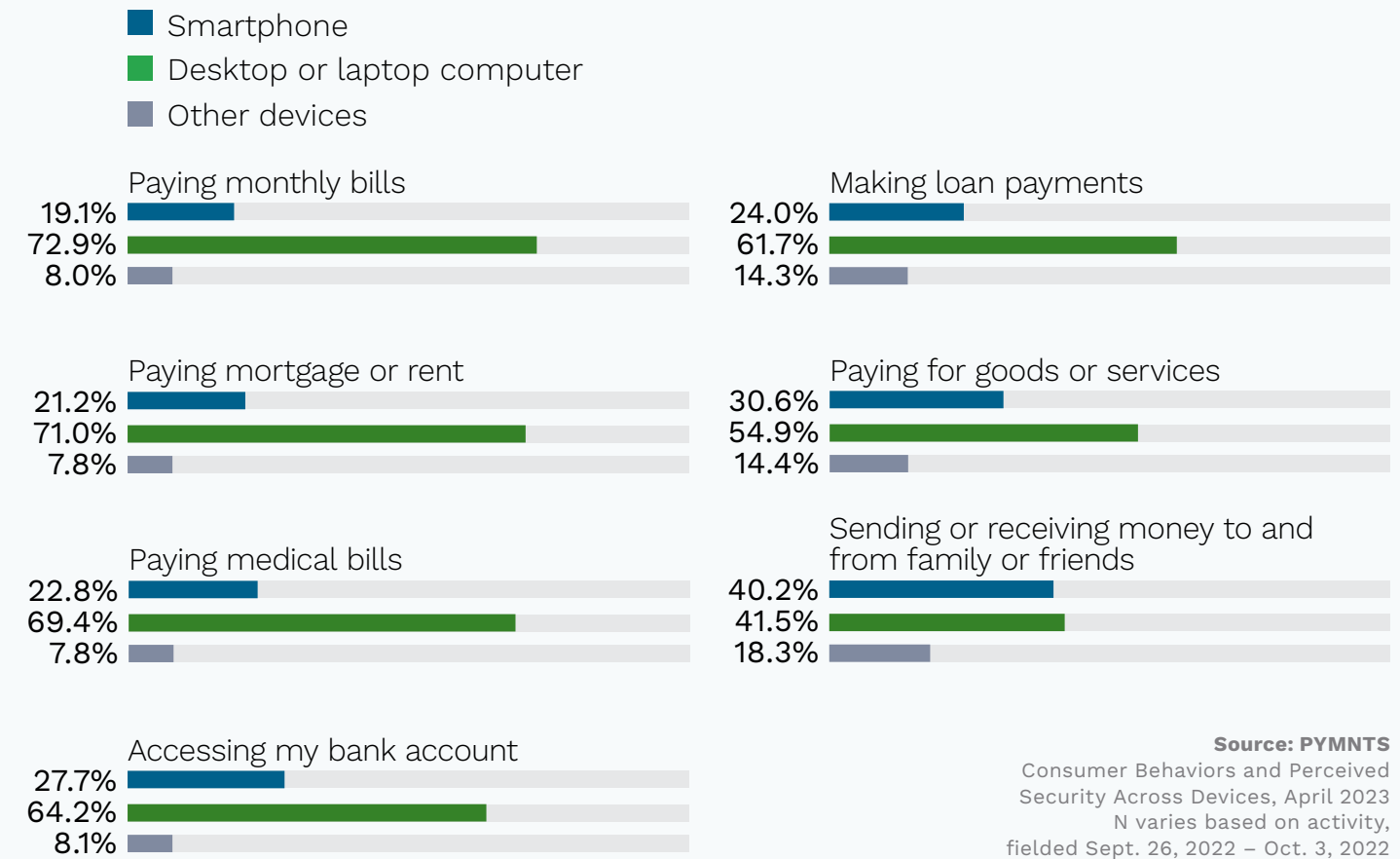


These findings illustrate that perceptions of a device’s overall security do not exclusively determine consumers’ choice of device for any given activity. Most notably, significant shares of those who believe computers are more secure still prefer to reach for their smartphones, including for higher-risk activities and transactions. FIs should carefully note this dynamic and implement a multi-channel authentication strategy that addresses consumers’ preferences across this spectrum.



**FIGURE 4:**  
**Device usage among those who trust computers**

Share of consumers who think computers are more secure than smartphones and use select devices to complete select transactions



**Source: PYMNTS**  
Consumer Behaviors and Perceived Security Across Devices, April 2023  
N varies based on activity, fielded Sept. 26, 2022 – Oct. 3, 2022

**40%**

of consumers who think computers are more secure than smartphones still prefer the latter for transferring money to or from friends and family.

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## Trust but verify

Banking customers are no longer willing to sit in the passenger seat regarding their financial security. PYMNTS' research shows that although 57% of consumers believe that banks adequately safeguard their identities and money when making purchases online, they still want to authenticate their identities for these transactions manually.

Approximately half of banking consumers want manual authentication for every higher-risk activity they conduct. Specifically, 52% of respondents want to authenticate their identities each time they access their bank account, and 47% say the same for cash transfers to or from family and friends. Even with the ubiquity of online transactions for goods and services, 42% of banking customers still prefer to authenticate their identities each time they finalize purchases.

TABLE 2:

### Preferred identity verification frequency

Share of consumers citing how frequently they would prefer to verify their identities for select transactions

	Paying bills, rent or loan payments	Accessing my bank account	Paying for goods and services online	Sending or receiving money to and from family or friends	Other transactions
<b>Verify my identity every time</b>	39.4%	51.6%	42.2%	46.6%	55.8%
<b>Verify my identity for large transactions</b>	10.9%	10.2%	16.3%	13.2%	10.0%
<b>Verify my identity the first time only</b>	22.1%	19.6%	18.2%	19.4%	18.2%
<b>Verify my identity every six months</b>	17.8%	14.1%	14.4%	13.6%	11.9%
<b>Never verify my identity</b>	9.9%	4.5%	8.8%	7.2%	4.1%

Source: PYMNTS

Consumer Behaviors and Perceived Security Across Devices, April 2023  
N = 2,584: Complete responses, fielded Sept. 26, 2022 – Oct. 3, 2022

This sentiment is not surprising. The Federal Trade Commission recently disclosed that fraud cost U.S. consumers \$8.8 billion in 2022, and the top two fraud categories were “imposters” and “online shopping.”<sup>1</sup> Provided these legitimate concerns for safeguarding their identity and financial security, consumers strongly favor adopting MFA across the entire range of online financial activities and transactions we studied, with 83% of respondents saying they would like to use it for infrequent transactions and 62% expressing the same for routine transactions.

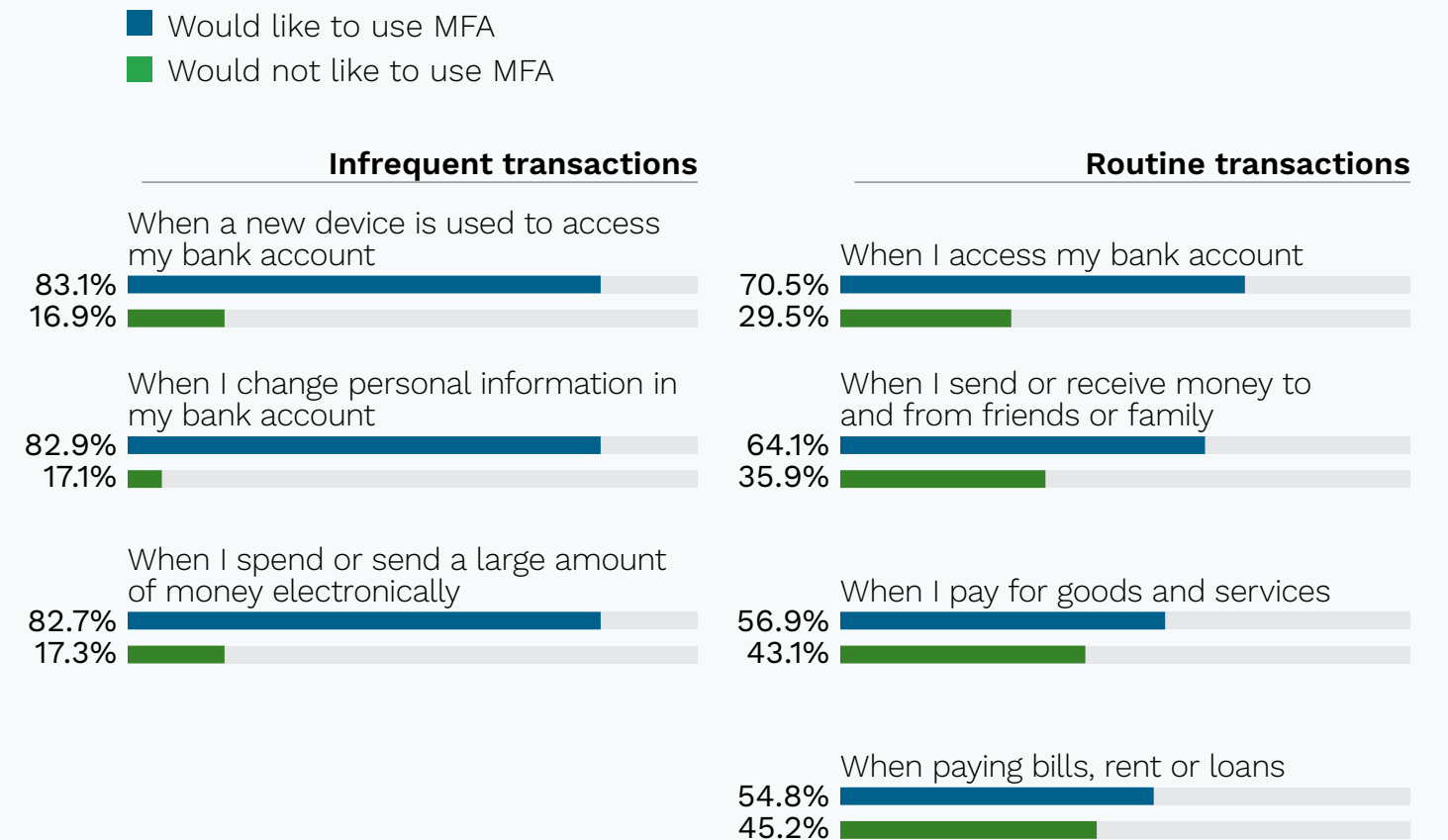
<sup>1</sup> Author unknown. New FTC Data Show Consumers Reported Losing Nearly \$8.8 Billion to Scams in 2022. Federal Trade Commission. 2023. <https://www.ftc.gov/news-events/news/press-releases/2023/02/new-ftc-data-show-consumers-reported-losing-nearly-88-billion-scams-2022>. Accessed April 2023.

For infrequent transactions, consumers are surprisingly consistent: 83% want MFA for accessing a bank account from an unknown device, changing personal information in a bank account and spending or sending large sums of money electronically. Consumer sentiment was more mixed for frequent transactions. We found that 71% of banking consumers want MFA for accessing their bank accounts, 64% want it when transferring money to and from family and friends and 57% want it when making purchases online. Even for recurring transactions such as paying bills, rent or loans, 55% of consumers prefer MFA to complete these activities.

**83%**  
of consumers want to use MFA when accessing a bank account from an unrecognized device.



**FIGURE 5:**  
**Consumer interest in MFA**  
Share of consumers who would like to use MFA for select transactions, by transaction category



**Source: PYMNTS**  
Consumer Behaviors and Perceived Security Across Devices, April 2023  
N varies based on activity,  
fielded Sept. 26, 2022 – Oct. 3, 2022



## Conclusion

Smartphones have quickly become consumers' preferred devices for online financial activities in most age groups. Younger generations overwhelmingly opt for smartphones. While baby boomers and seniors still generally favor computers, many also choose smartphones, particularly for transfers with family and friends. Regardless of preferred devices, many banking customers want to be in the driver's seat regarding their financial security and want the option to authenticate each transaction, particularly higher-risk ones. Consumers are also highly interested in adopting MFA across all online financial activities and transactions. Banks should take note of these findings and prioritize adopting a robust multi-channel authentication strategy that gives consumers greater control and peace of mind no matter what device they use.

## Methodology

Consumer Behaviors and Perceived Security Across Devices, a PYMNTS and Entersekt collaboration, is based on a population-balanced study of 2,584 U.S. consumers fielded between Sept. 26, 2022, and Oct. 3, 2022, that examined consumers' preferences for visible and invisible online authentication methods. The sample was balanced to match the U.S. adult population in key demographic variables.



# About

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