



April 2026 Playbook

Built to Lead or Losing Ground?

AI, Mobile and the Member Retention
Imperative for Credit Unions in 2026

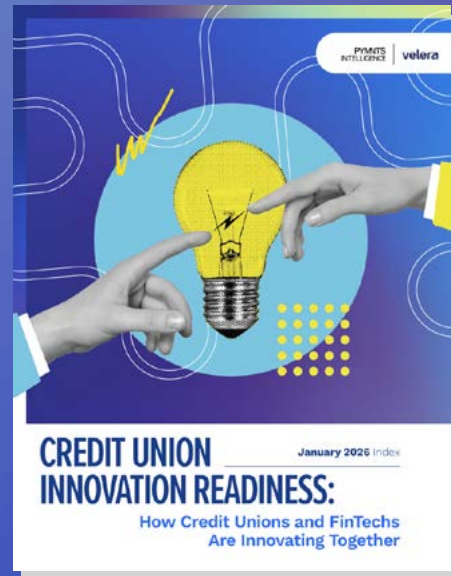
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What's At Stake

The credit unions best positioned for the next decade are the ones investing in artificial intelligence tools. And their members are noticing. PYMNTS Intelligence's 2026 Credit Union Innovation Readiness Index shows how institutions leading on this front are working with third-party providers to roll out everything from member service chatbots to AI-fueled financial advice. In the process, they're winning new members and increasing their asset bases. These future-thinking, now-acting organizations offer a playbook for the [\\$2.4 trillion](#) credit union industry on how innovation strategy, not institution size, shapes competitive position.

The Core Finding

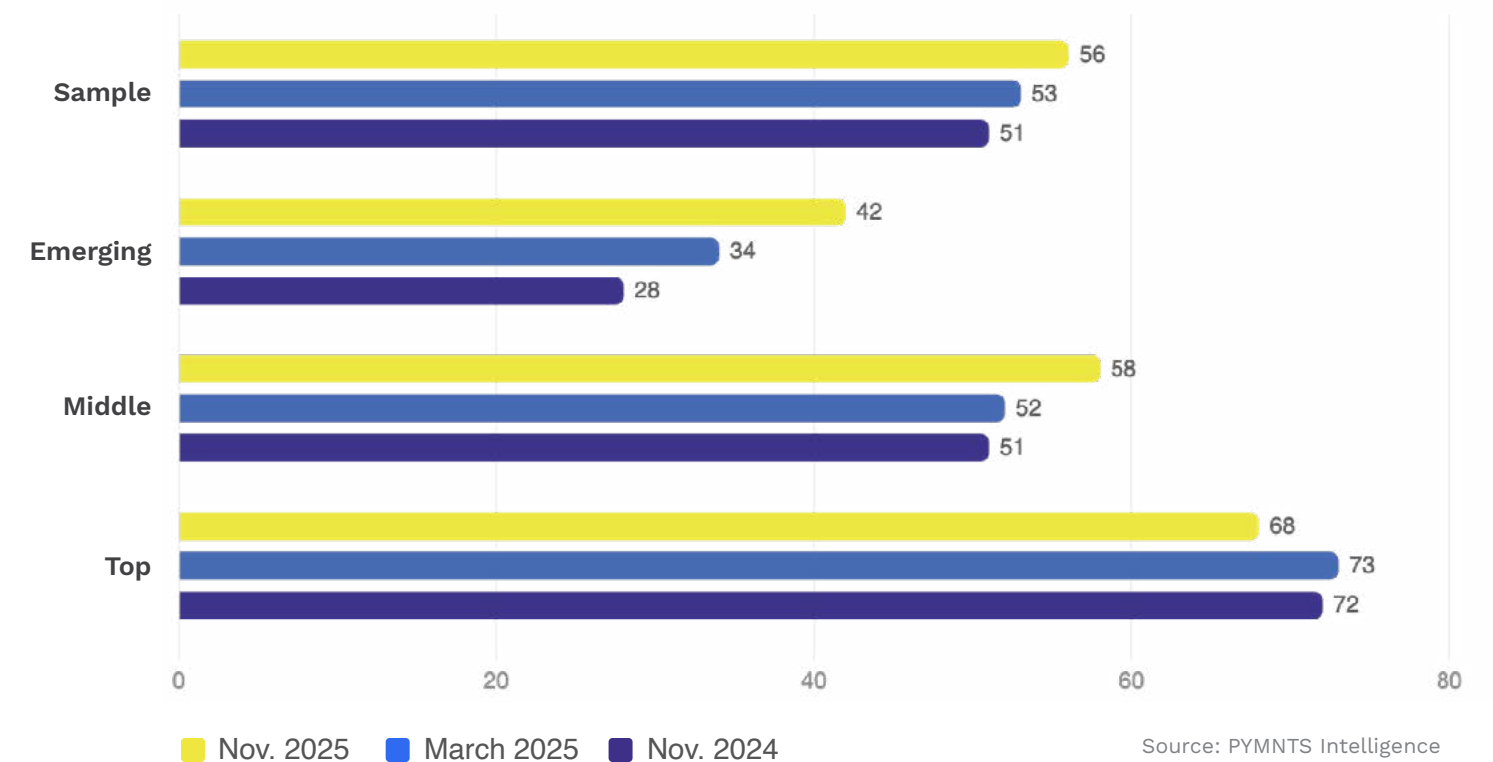
Members who have already left a credit union are 122% more likely than the average consumer to want AI chat support. Gen Z, the generation credit unions must win to thrive in the next decade, is 73% more likely to want AI-powered financial advice.

The divide between top tier credit unions that are innovating and emerging tier ones that are falling behind is narrowing. The index shows that this innovation gap narrowed from 44 to 27 points over a single year, strong evidence that credit unions are working to meet the AI challenge head on. At the same time, the index reveals how the divide in performance outcomes has never been wider. Top performers are growing members and assets, while emerging tier institutions are losing members.

Figure 1:

Index Score

Average score achieved in innovation readiness Index



Source: PYMNTS Intelligence
 Built to Lead or Losing Ground?, April 2026
 N= 500: Credit union executives; Fielded from Oct. 22–Nov. 21, 2025

The good news is that this gap is closeable. The credit unions eliminating it the fastest share a common strategy centered on leveraging trusted technology partners to accelerate capabilities they could not build quickly on their own. Third-party innovation is a competitive accelerant that the best-performing institutions are fully embracing.

What makes this moment particularly compelling for credit union leaders is the compounding nature of investment in innovation. Top performers are simultaneously growing member signups, increasing assets and investing more in the technological capabilities that will define the next competitive frontier.

Critically, the data confirms that strategy, not size, defines a credit union's readiness to innovate. Specifically, it shows that AI is the primary tool through which credit unions can become both the primary financial institution for their current members and both top of mind and top of wallet for future members.

For every credit union, the findings in this report answer two fundamental questions. Does your innovation roadmap match what your current members are demanding and what future members expect? And are you moving fast enough to stay ahead?

By the Numbers

122%

Members who left a credit union are 122% more likely to want AI chat bots compared to the average consumer.

73%

of Gen Z members want AI financial advice.

27 points

divide top-tier and emerging-tier credit unions on the innovation index, down from 44 points a year ago.

74%

of top-tier credit unions report year-on-year membership growth.

26%

of emerging-tier credit unions report declining membership in 2025, compared to 0% in 2024.

73%

of top performers increased their investments in innovation last year.

I. AI Is the New Membership Battleground

The retention and acquisition
opportunity awaits.


Credit unions have long competed on their community ties, competitive interest rates and friendly member service. But the 2026 data reveal a new and winnable dimension of competition. AI-powered member service and digital-first onboarding now meaningfully shape whether members join, stay or seek a better experience elsewhere.


Among six consumer segments examined, AI-operated chat member support ranks as the top innovation priority for both current members whose credit union card is their preferred one (+53% above average) and members who left (+122%). Digital onboarding ranks as the second top priority for people and businesses that left a credit union for another institution (+108). This suggests that friction in the joining and service experiences is a significant and preventable retention risk, and that credit unions that remove that problem will be the ones that grow.


73%


**Gen Zers are 73% more likely than
the average consumer to want AI
for financial advice.**

 **Younger Member Priorities**


 **+73%**
of Gen Z is more likely to want **conversational AI** for financial advice


 **+69%**
of Gen Z more likely to want **AI chat member support**


 **+64%**
of millennials are more likely to want **cross-border and multi-currency** payments


 **+57%**
of millennials more likely to want **AI chat support**

 **SMB Priorities**

 **+71%**
Instant card issuance to digital wallet above average for SMBs using credit union cards

 **+191%**
Digital onboarding — top priority for SMBs that left a credit union

 **+97%**
Mobile remote deposit capture — second-highest priority for departed SMBs

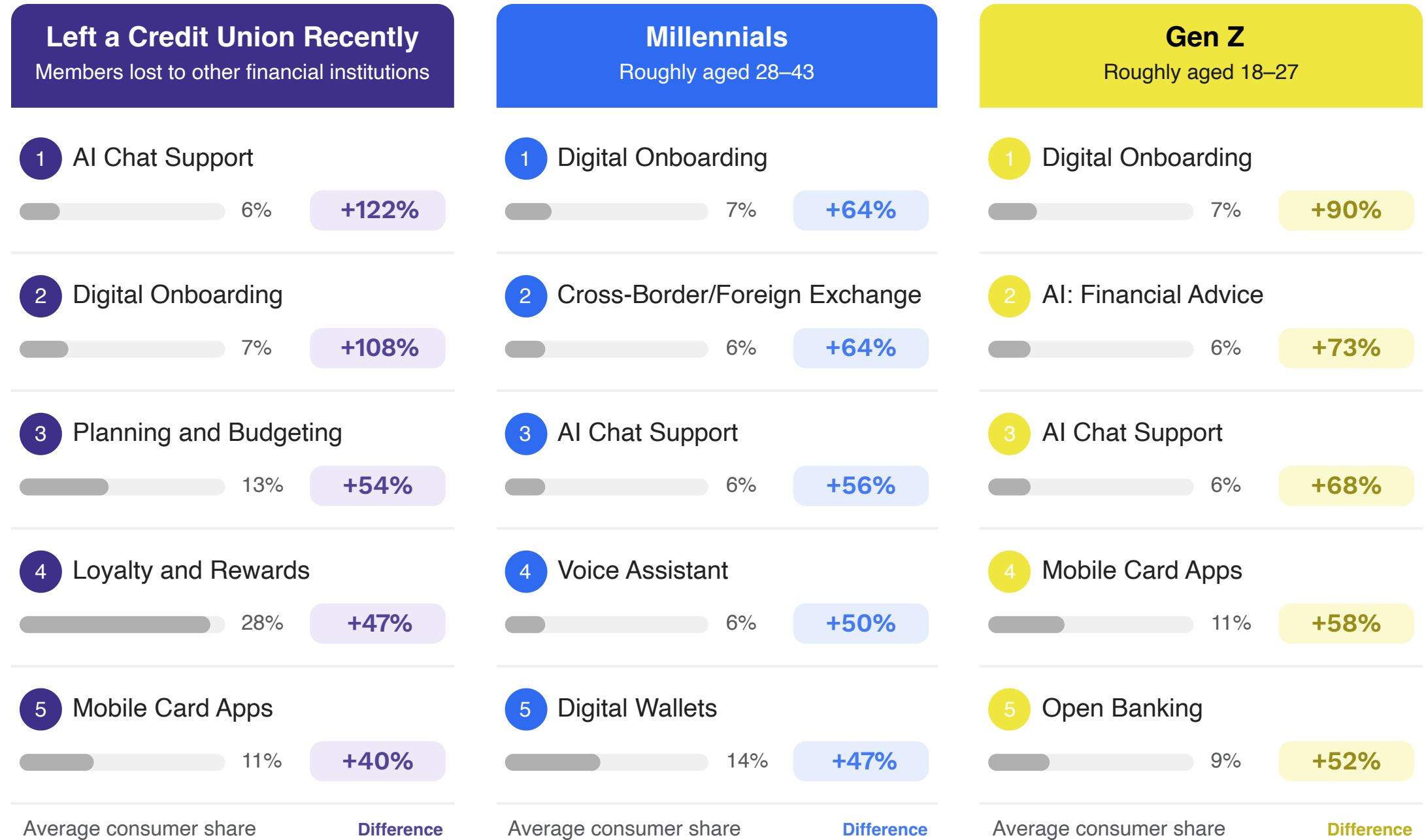
 **+22%**
SMBs using **consumer cards** show elevated interest in AI for payments

Strategic Opportunity

The most actionable data point on SMBs is that digital onboarding and mobile deposit capture are foundational features. Some credit unions are losing business members over digital friction issues that are entirely solvable. Trusted technology partners have already built the solutions to address that problem quickly.

Taken together, the data suggests that AI is the next major differentiator for credit unions. It paints a picture of a new kind of member relationship, one in which the credit union is top of mind for every financial decision and top of wallet for every transaction. Institutions that in the near term use conversational AI for service and financial guidance will define that new standard. The fastest path to deployment, and the fastest way to compress the innovation timeline, runs directly through the right technology partnerships.

Figure 2:
Top five innovation priorities by member segment
 Share of consumers wanting selected capabilities from their financial institution in the next three years (% difference from the average)



Source: PYMNTS Intelligence
 Built to Lead or Losing Ground?, April 2026
 N= 13,918: Complete consumer responses.
 Fielded from Oct. 22–Nov. 21, 2025

II. The Foundation: Strong Where It Stands, Ready to Extend

—
Top performers have built
the infrastructure.

Across the suite of tools and features offered by credit unions, top index performers have covered the bases. Mobile banking (100%), online banking (99%) and call center support (96%) are table stakes. Card transaction management, planning and budgeting tools, biometric authentication and mobile wallets all sit at or above 84% adoption. These figures reflect sustained, deliberate investment in the capabilities that members have historically ranked as essential.

The performance gap data reinforces this strength. A meaningfully higher share of top-tier performers saw those capabilities improve year over year compared to emerging-tier peers. That foundation creates a strong base from which to extend the next generation of AI capabilities.

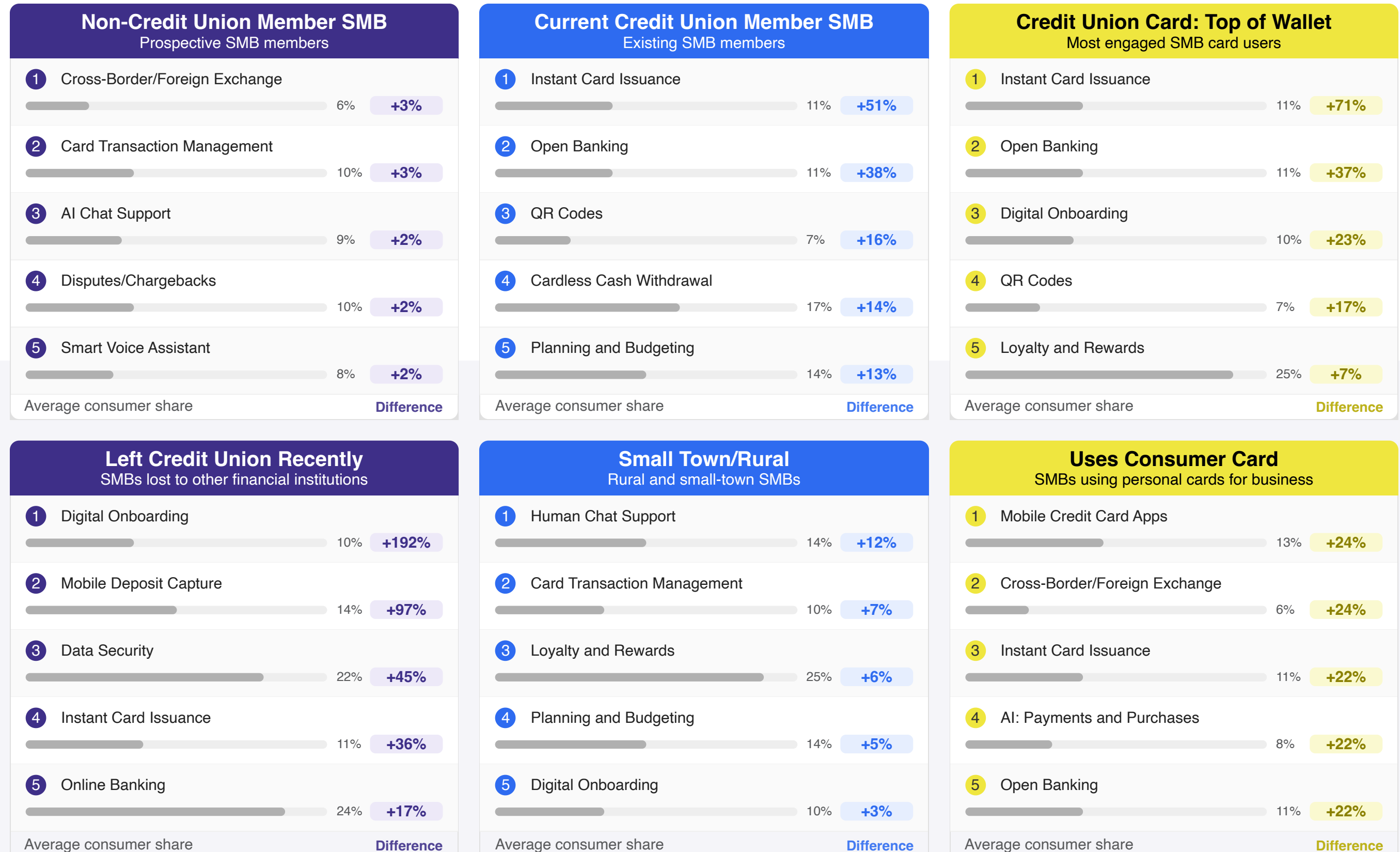
88%

**of top-tier credit unions already
offer planning and budgeting tools.**

Figure 3:

Top five innovation priorities by SMB segment

Share of SMBs wanting each capability from their financial institution in the next three years (difference from the average)



Source: PYMNTS Intelligence

Built to Lead or Losing Ground?, April 2026

N= 13,918: Complete consumer responses. Fielded from Oct. 22–Nov. 21, 2025

The AI gap is the defining opportunity on the horizon.

The most consequential finding in the capability data is how much room remains to expand, refine and approve AI capabilities, even for the strongest performers. Only 20% of top-tier credit unions currently offer a conversational AI assistant for payments and purchases, and 22% do so for financial management. Cross-border and multi-currency capabilities sit at just 6%. These are capabilities that a growing share of members already expects from their primary financial institution.

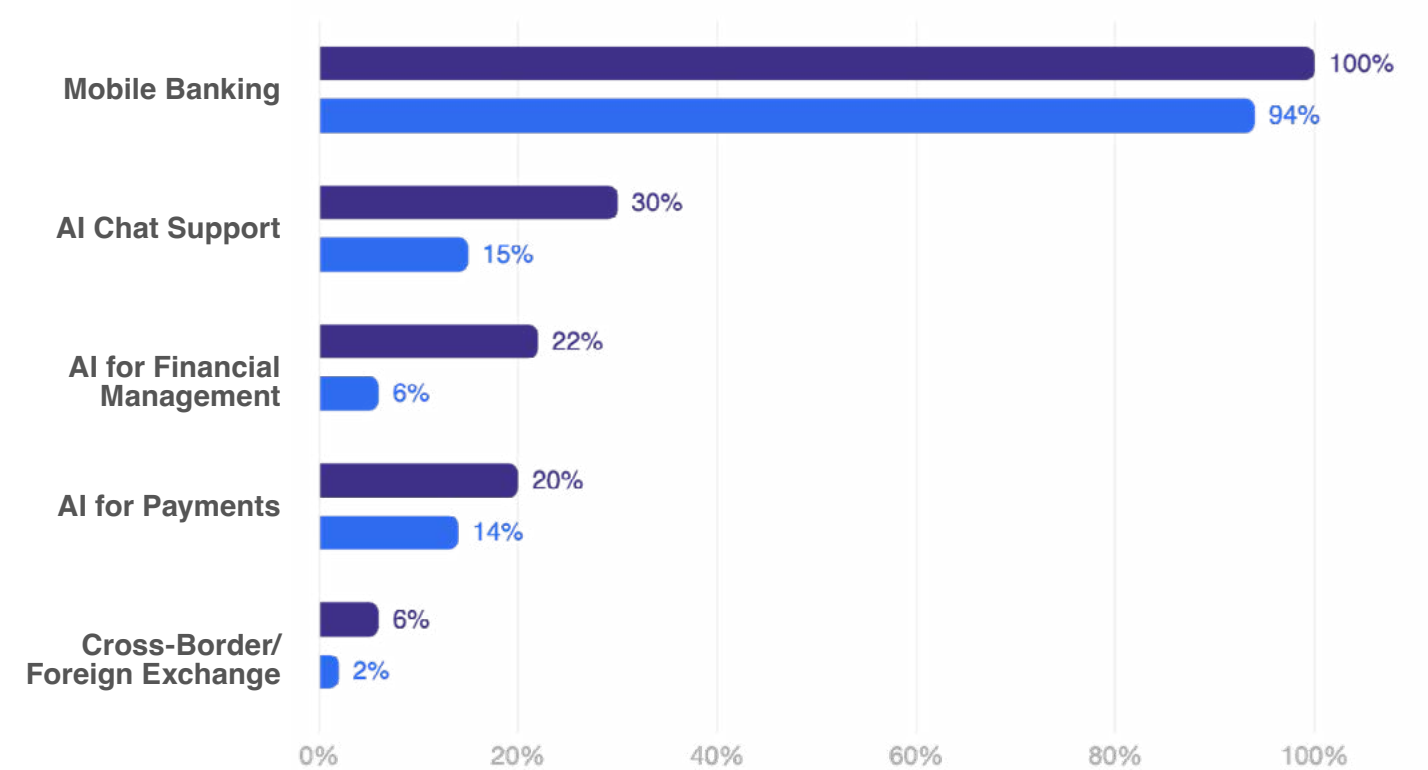
This is where AI becomes the great equalizer, and where the partnership opportunity becomes strategically compelling. The index makes clear that strategy, not size, determines who leads. A \$500 million credit union with the right AI partner and a clear member strategy will outperform a \$10 billion institution that still treats AI as a future priority. Third-party partners who have already built and deployed these capabilities at scale can compress a multi-year innovation timeline into months, giving credit unions of every size the ability to compete on the features that matter most to the members they have today and the ones they're competing to attract.

43%
of top-tier credit unions already offer pay-by-bank, versus 29% among the emerging tier.

Figure 4:

Gap in key capabilities between top and emerging tiers

Share of credit unions in each innovation readiness tier offering a selected capability

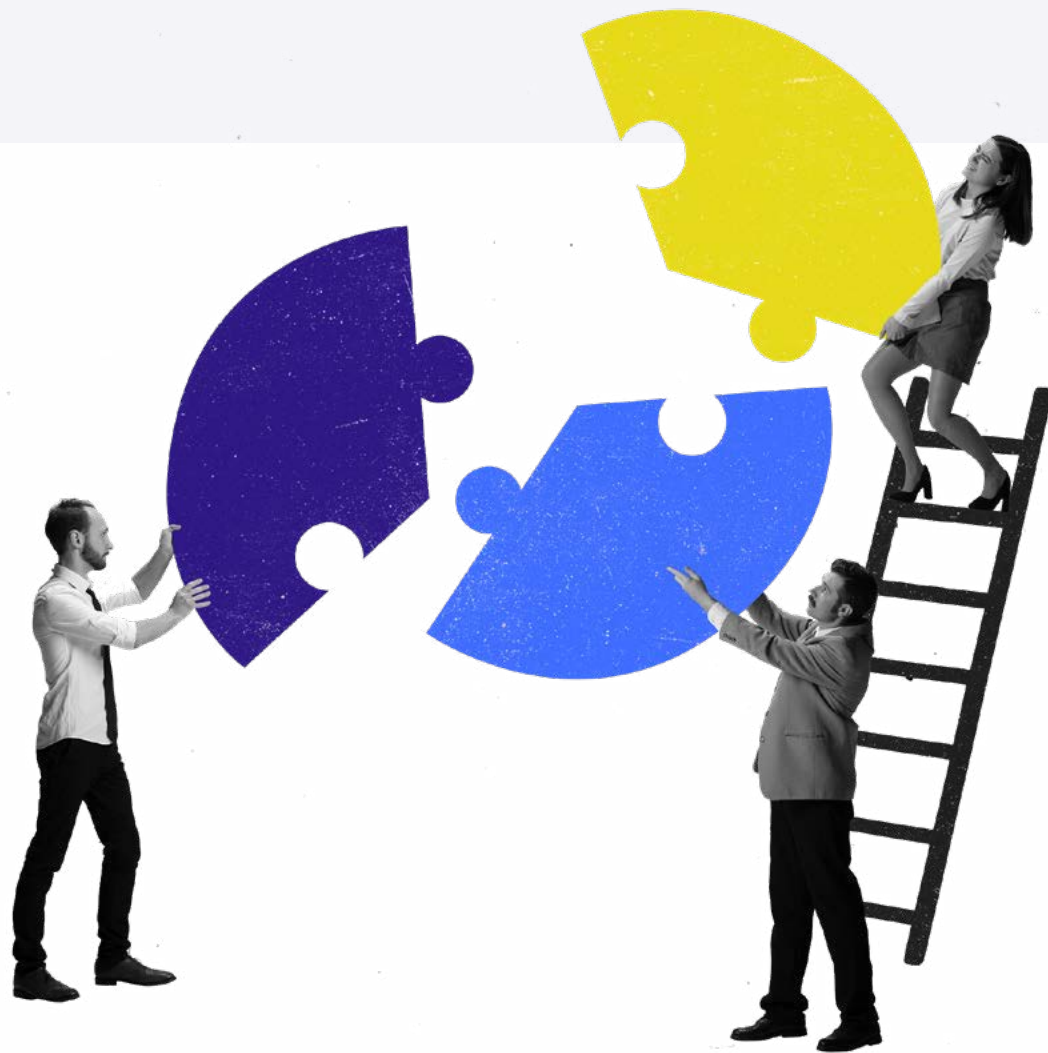


Source: PYMNTS Intelligence

Built to Lead or Losing Ground?, April 2026

N=500: Credit union executives. Fielded from Oct. 22–Nov. 21, 2025

■ Top Tier ■ Emerging Tier



73%

of top-tier credit unions are developing new user payment features with the help of external partners.

The innovation roadmap data shows that 26% of top performers plan to offer AI for payments within three years. For emerging-tier institutions, the projected coverage for AI chat support reaches only 37% by the end of their planning horizon. That means more than 60% of emerging-tier credit unions would still not offer the feature most urgently requested by churned members. Closing that gap necessitates partnering with providers who can deliver these capabilities now.

The Partnership Imperative

Credit unions that prioritize AI deployment in the near term, particularly conversational AI for payments and financial management, will extend their performance advantages. The fastest path to that deployment is not internal development. Instead, it lies in working with technology partners who have already done the heavy lifting.

III. Leaders Invest

Top performers are pressing their advantage.

Investment trends in payment innovation are diverging sharply across performance tiers. In November 2025, 73% of top-tier credit unions report increased financial investment in payment innovation, and 71% report increased human resource investment.

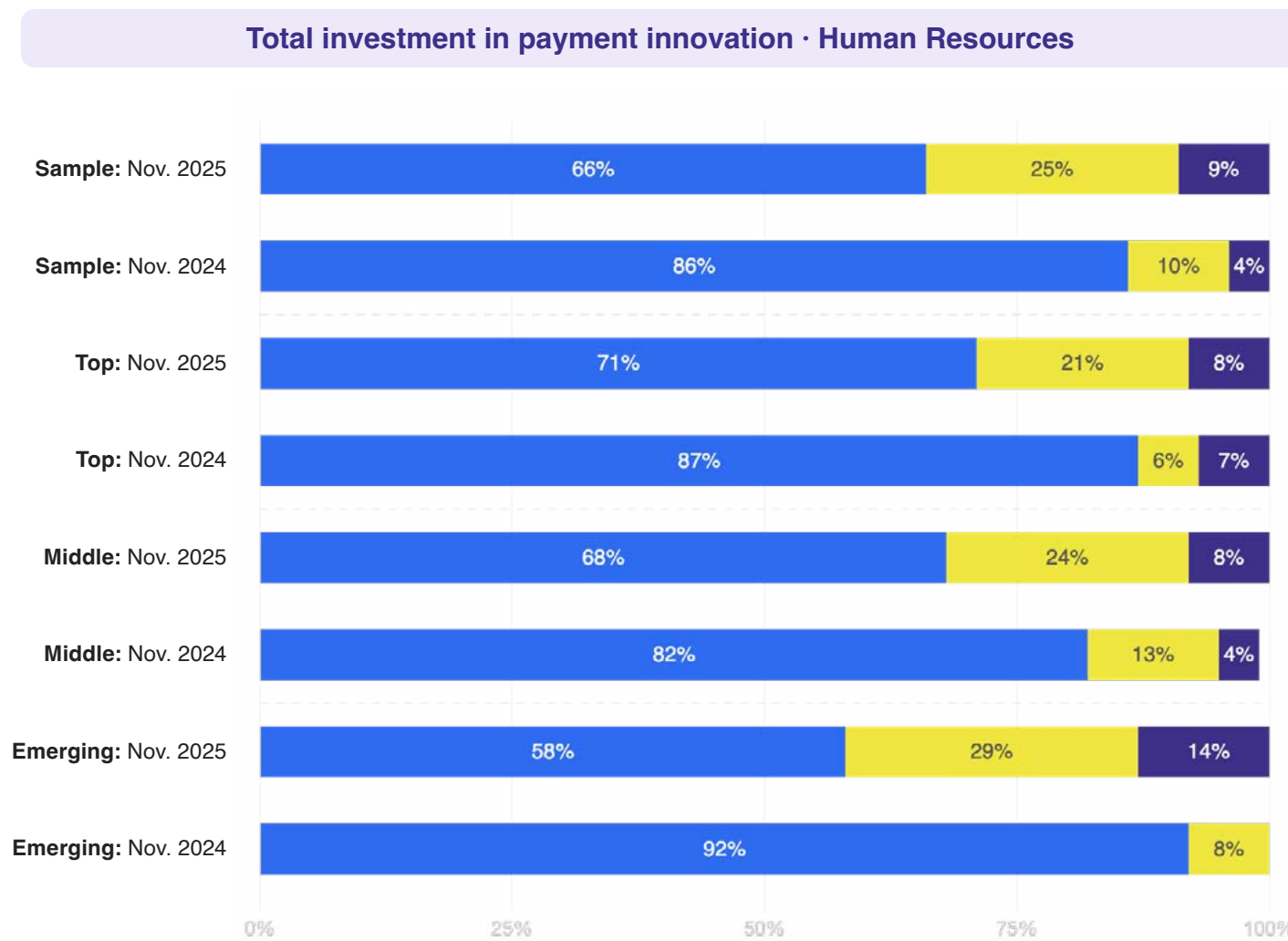
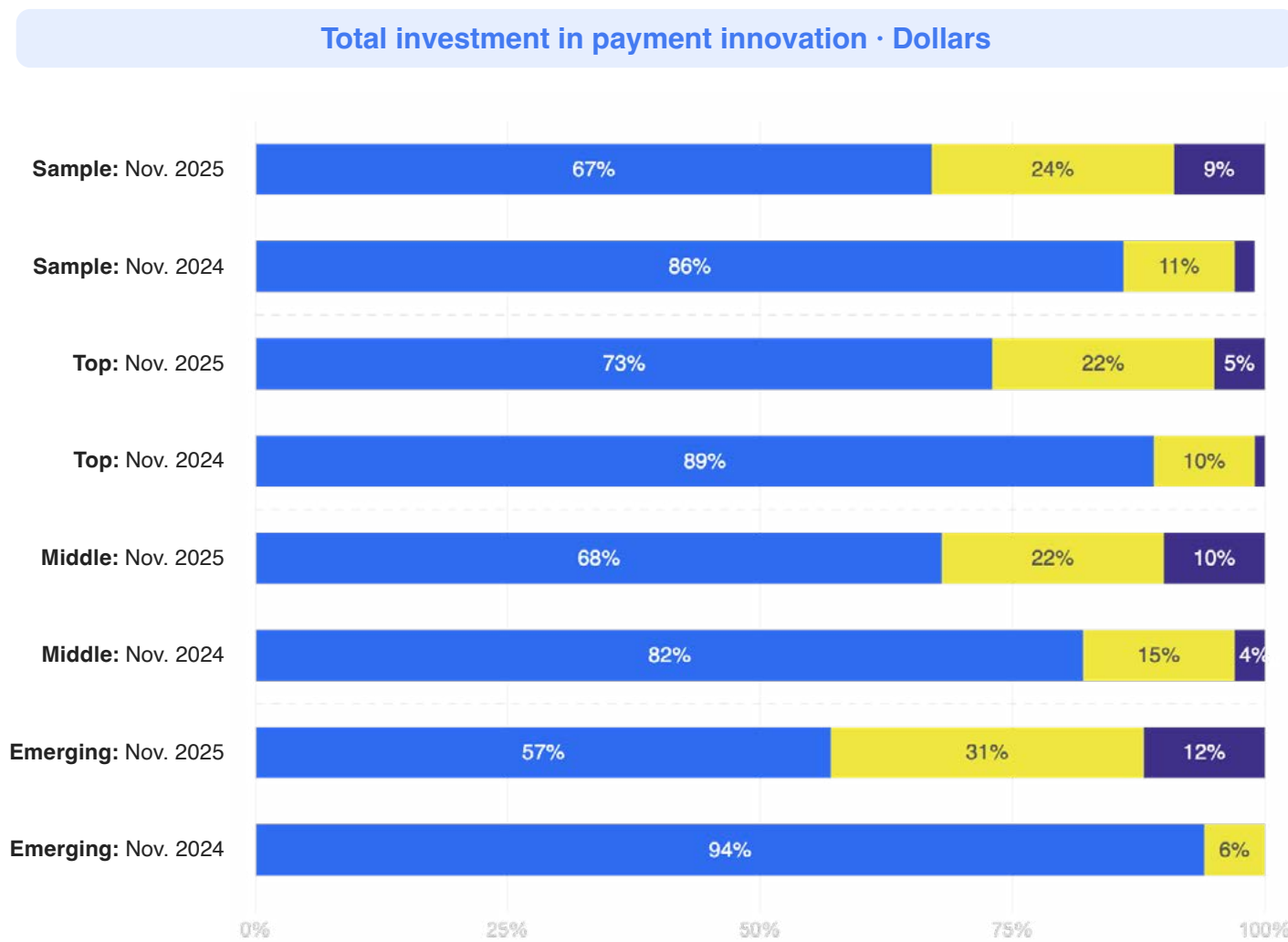
Emerging-tier institutions have a simple, actionable choice. Only 57% report increased dollar investment and 58% increased HR investment in 2025, while 12% to 14% report active decreases, a category that was essentially nonexistent for any tier just one year earlier. The encouraging reality is that the investment bar for accelerating AI capabilities has dropped significantly for credit unions willing to engage the right partners. Many credit unions may not have the resources to build these capabilities in-house, making partnerships with strong third-party providers the key.

74%

of top-tier credit unions show an increased number of members in the past 12 months.

Figure 5:
Investment trends
 Share of credit unions reporting changes to innovation investment in the past year

Source: PYMNTS Intelligence
 Built to Lead or Losing Ground?, April 2026
 N=500: Credit union executives. Fielded from Oct. 22–Nov. 21, 2025



Top · Increased (Nov. 2025) 73%	Top · Increased (Nov. 2024) 89%	Emerging · Decreased (Nov. 2025) 12%	Emerging · Decreased (Nov. 2024) 0%	Sample · Increased (Nov. 2025) 67%	Sample · Increased (Nov. 2024) 86%
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Nov 2024 vs Nov 2025 · Performance tier comparison

% values shown inside segments where space permits

■ Increased ■ Stayed the same ■ Decreased

Size Is Not Strategy. Agility Is.

What the index makes clear is that scale doesn't guarantee AI readiness. Credit unions with between \$1B and \$5B in assets (average index score: 60) outperform those with more than \$5B (average score: 58). Mid-size institutions occupy a compelling strategic position that's large enough to invest meaningfully in innovation and agile enough to move quickly when the right partnership is in place. Online-only credit unions post the lowest average score in the sample at 48, trailing even the smallest branch networks.

This is one of the most important signals in the data. The credit unions performing at the top of the index aren't the ones with the biggest balance sheets. Instead, they're the ones deploying AI to deepen relationships and using technology partners to extend their capabilities faster than their peers can build on their own.

68

Average Innovation
Readiness Index
Score: **Top Tier**

60

Average Score:
Mid Tier
(\$1B to \$5B assets)

42

Average Score:
Emerging Tier

IV. Innovation Readiness Shows Up in Real Outcomes

Membership divergence is stark.

The last 12 months reveals a growing divergence in the core membership metrics that define credit union health. Among top-tier credit unions, 78% report increased average assets per member and 74% report membership growth. These results reflect years of intentional investment in member-facing capabilities.

The emerging tier presents a different picture. Only 62% report asset growth, just 50% report membership increases and more than one in four say their total membership has actively declined.

The Turning Point

In November 2024, no emerging-tier credit union reported membership declines. By November 2025, one in four did. This is strong evidence that innovation readiness translates into real membership outcomes. The opportunity to change the membership trajectory is open, and the right technology partnerships can accelerate the turn.

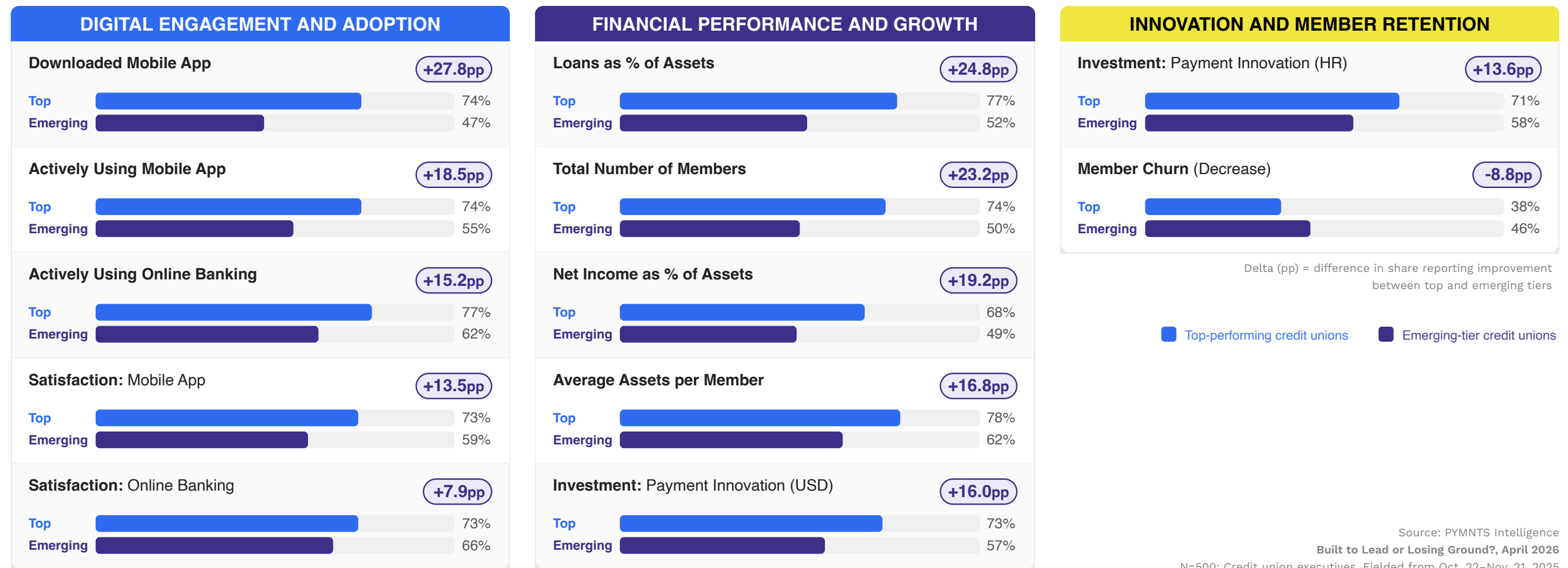
For credit unions in the emerging tier, the data points to a meaningful but manageable challenge. Losing members makes it harder to fund the investment needed to close the innovation gap. But the gap doesn't need to be closed through internal development alone.

Third-party solutions, deployed through trusted partnerships, allow credit unions to offer AI chat support, digital onboarding and real-time card capabilities at a fraction of the time and cost of building in-house.

Figure 6:

Key performance indicators

Share of credit unions reporting that performance in a selected metric improved over 12 months

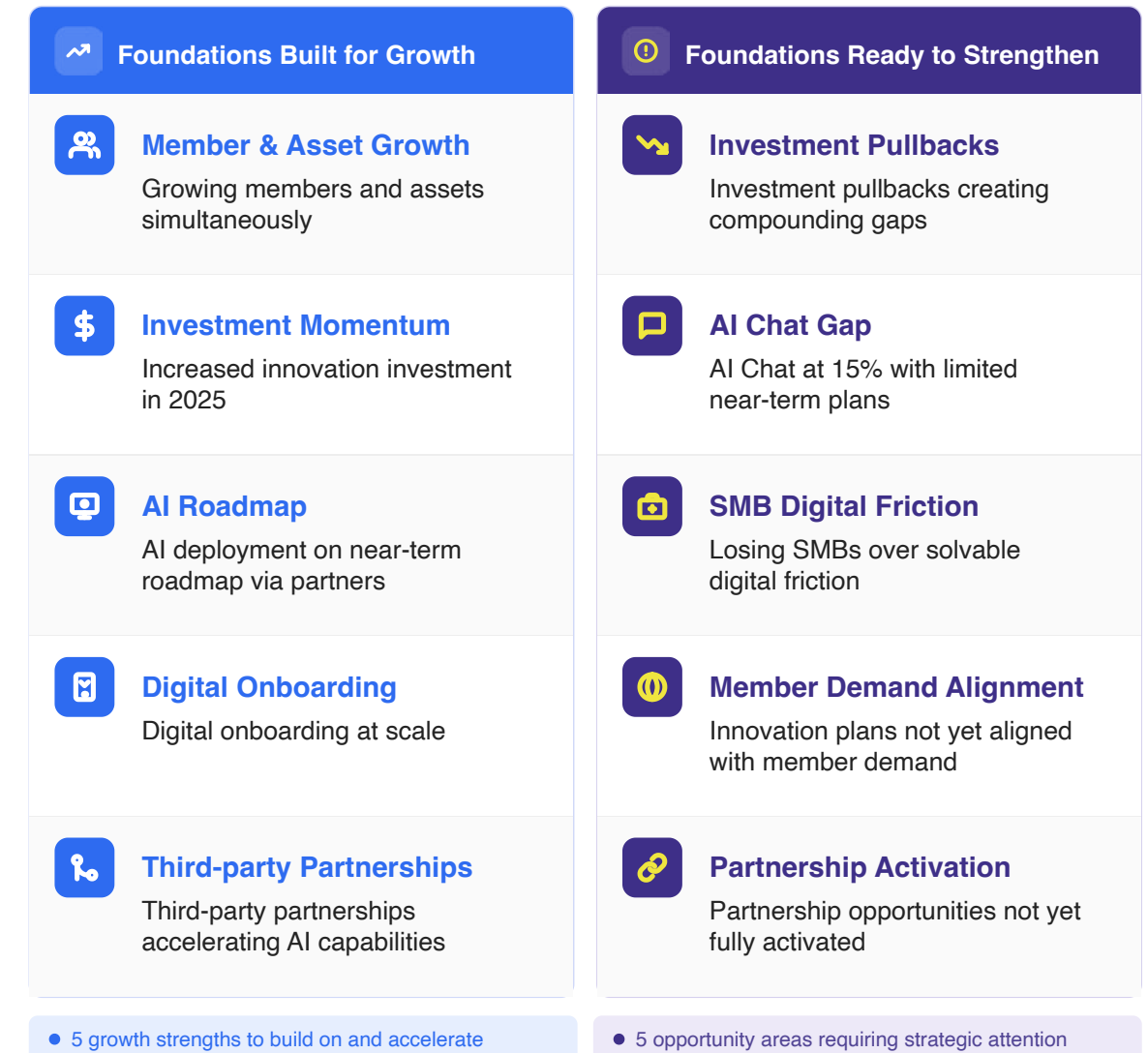


Source: PYMNTS Intelligence
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 N=500: Credit union executives. Fielded from Oct. 22–Nov. 21, 2025

V. Your Foundation. The Next Move.

Every credit union has invested in digital infrastructure. The question this report poses is whether that foundation is positioned for the next wave of innovation or only capable of hosting what already exists.

The data draws a sharp line between two trajectories:



VI. The Partnership Accelerator

**Third-party innovation is
a strategic asset, not a shortcut.**

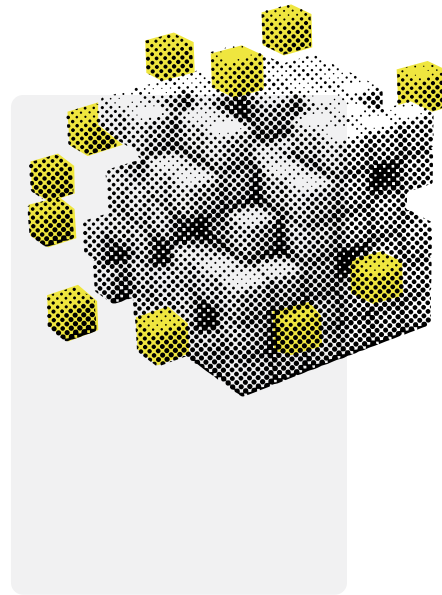
The credit unions showing the strongest improvement in innovation readiness aren't building every capability from scratch. Instead, they're making intentional decisions about where to build, where to buy, and where to partner. More than eight in 10 credit unions with the highest innovation readiness scores say external partners help them innovate faster than they would have been able to do without partners. Among top-tier credit unions, digital onboarding and authentication (76%), data security (76%) and new payment user experiences (73%) are already being delivered through external partnerships. Half of innovation leaders are now developing AI-powered member experiences with external partners.

For AI capabilities in particular, the partnership model is an effective way to close the gap between what members want and what credit unions currently offer. Doing that compresses what would otherwise be a multi-year innovation timeline into something more near-term and competitive.

76%

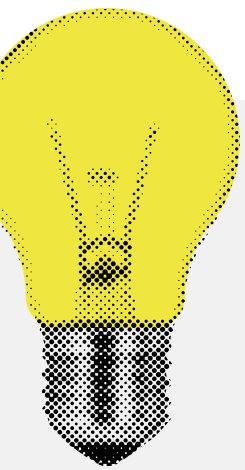
**of top-tier credit unions developed
digital onboarding and authentication
with the help of external partners.**

Technology partners that specialize in financial services AI have already done what most credit unions can't afford to do alone. They have invested years of development time, compliance testing and member experience refinement in the precise capabilities this data shows members demanding most. These tools include conversational AI for member service, AI-powered financial guidance, instant card issuance and seamless digital onboarding.



The institutions that will lead the next wave of the Innovation Readiness Index make three moves simultaneously.

Innovation readiness is a strategic choice that doesn't depend on size or resources. The credit unions that perform best are committed to understanding what their members want, executing against it with discipline and using every available tool, including AI and the technology partners who deliver it, to widen the advantage.



AI is the great enabler of this shift. The rapidly evolving technology makes it possible for a strategically focused credit union of any size to deliver the kind of personalized, anticipatory, always-on member experience that builds lasting loyalty. That's especially true regarding the Gen Z members and growing businesses they are working to attract, retain and keep at top of wallet over the long haul.

The Core Opportunity

The credit union innovation gap isn't a technology problem. It's a deployment and partnership problem. Institutions that recognize this and move decisively with the right partners will be the ones writing the success stories in the next wave of this index.

The Path Forward

The Credit Union Innovation Readiness Index 2026 demonstrates how innovation readiness is a strategic choice that doesn't depend on size or resources. The credit unions that perform best are committed to understanding what their members want, executing against it with discipline and using every available tool, including AI and the technology partners who deliver it, to widen the advantage.

The data points to a larger ambition in the industry: to become the institution that the next generation of members, mainly Gen Z consumers and growing SMBs, turns to first, trusts the most and uses for everything. AI is the primary tool through which credit unions can realistically claim that prize.

Third-party partnerships accelerate the timeline to get there. They remove the barrier of internal build time, reduce the capital required to deploy leading capabilities and allow credit unions of every size to compete on the features that matter now, not in three to five years. The institutions that activate those partnerships in the near term will be the ones setting the pace everyone else follows.

The Bottom Line

The foundation that credit unions have built is a powerful asset. The opportunity ahead is to extend it with AI, executed through the right strategy and the right partners. The next layer of innovation is not years away. It is available today.

Methodology

This briefing draws on Built to Lead or Losing Ground? AI, Mobile and the Member Retention Imperative for Credit Unions in 2026, a PYMNTS Intelligence report produced in collaboration with Velera. It is based on surveys of 500 credit union executives over October–November 2025, 13,918 consumers, and 2,474 SMBs (October through December 2025). Innovation Readiness Index scores are calculated on a 0 to 100 scale, reflecting alignment between credit union offerings and plans and member and SMB preferences. Leaders are the top quartile of index scores; emerging tier are the lowest quartile.

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