



Expectations & Experiences | Borrowing and Wealth Management

February 2018

Enabling Life's Most Important Events

In the background of life's most important events are decisions involving borrowing and wealth management. Finding the perfect home, earning a college education or retiring in comfort are major milestones enabled by financial services. And as the number of options available to help consumer make these financial decisions grow, the influences on consumer behavior are also evolving.

Even for big decisions like applying for a loan, people expect intuitive services that make it easy. Understanding how they prefer to communicate, their openness to new services and where they need guidance are all important factors, not just to finding and retaining customers, but helping them make better decisions for life's most important events.

Expectations & Experiences is a quarterly U.S. consumer trends survey sponsored by Fiserv. One of the longest running surveys of its kind, Expectations & Experiences builds on years of consumer survey data. The survey provides insight into people's financial attitudes and needs, enabling organizations to design and drive adoption of services that improve consumer financial health, loyalty and satisfaction.

Each survey focuses on primary issues relevant to how people move and manage money. This paper summarizes results from a survey conducted June 13–29, 2017, of 3,095 U.S. adults who used their checking accounts to pay a bill or make a purchase in the 30 days prior to the survey. This survey looks at how consumers manage their wealth and attitudes toward lending, including established channels as well as new market entrants. The survey was conducted by Harris Poll on behalf of Fiserv. For full methodology, please see page 13 .



Highlights



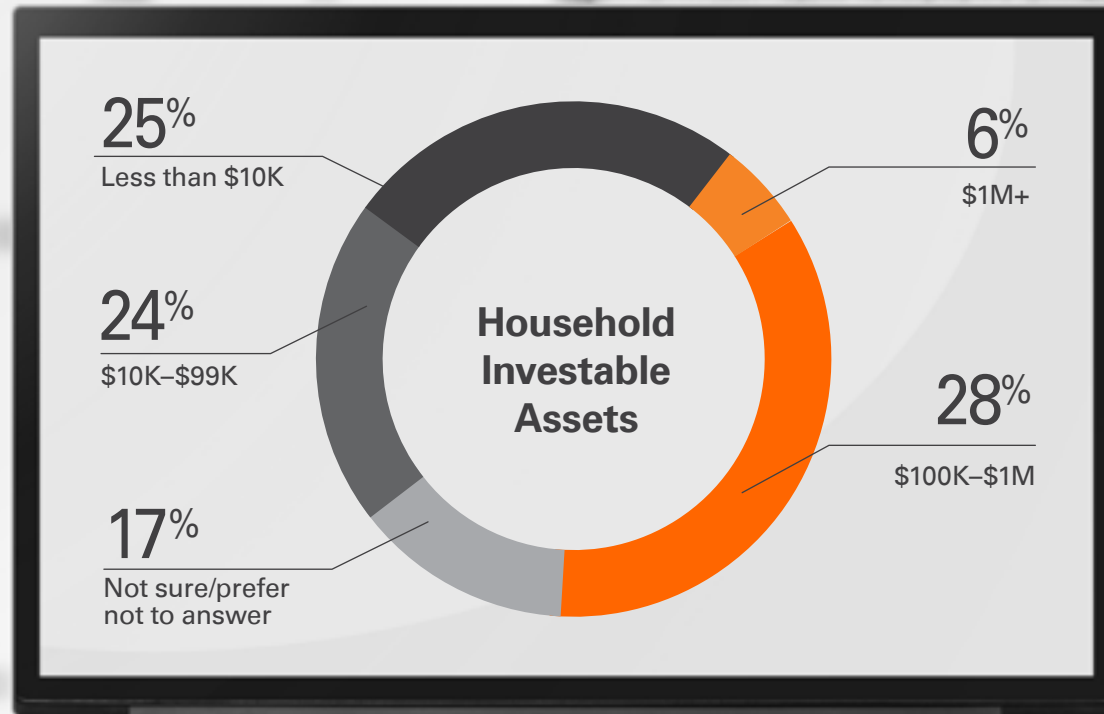
1 Many affluent consumers engage financial advisors, but challenges remain. Affluent consumers commonly use financial advisors and many say they are “hands on,” although few who are investing their money give themselves high marks for their investing knowledge. Those affluent consumers without a financial advisor say they are not interested in using one. On the other hand, some millennial and urban consumers are using robo-advisors.

2 Applying for a loan: people know what they want. Cost, customer service and prior experience with a lender (good or bad) remain influential factors. Consumers are willing to adopt new innovations if it means expediting the loan process.

3 Interaction type influences preferences for loan communications. Whether it’s reminders or notifications, email has taken hold as a preferred method of lender-to-borrower communications. As for contacting the lender, consumers with loans prefer a variety of methods depending on what they need at the time.

4 Consumers are looking for convenience in loan payments. Electronic payments are now the norm as consumers with loans tend toward easy, fast, convenient payment methods.

A significant market: Majority has more than \$10k in investable assets



Survey question to all qualified respondents: Excluding any property, what would you estimate your household's total investable assets to be? Please think about total investable assets including all money saved in cash accounts, CDs, brokerage accounts, retirement accounts, 401(k), trusts, etc. Please DO NOT INCLUDE the value of property such as your home, real estate, cars, etc.

Affluent consumers are likely investors, though many lack confidence

Three-quarters (76 percent) of affluent consumers (with \$100,000 or more in investable assets) invest their money. More than half of these affluent consumers use a financial advisor – most commonly through a brokerage house or private advisor.

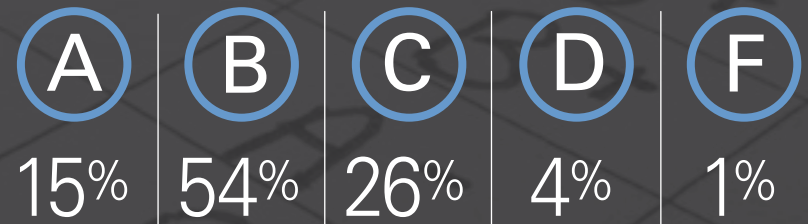
58% of affluent consumers work with a financial advisor

The majority of affluent consumers who use financial advisors describe themselves as being quite involved in their investments, with 64 percent saying they are at least somewhat “hands on.”

Among those affluent consumers who do not use advisors, 56 percent say they are capable of managing investments on their own as a reason. Only 11 percent rate their interest in using an advisor at eight of 10 or higher. Despite the reported confidence, 31 percent of affluent investors who invest their own money give themselves low marks on their investing knowledge, grading themselves at a C or below.

Grade given for knowledge and expertise in investing

(among those who have \$100K+ in investable assets and invest their own money)

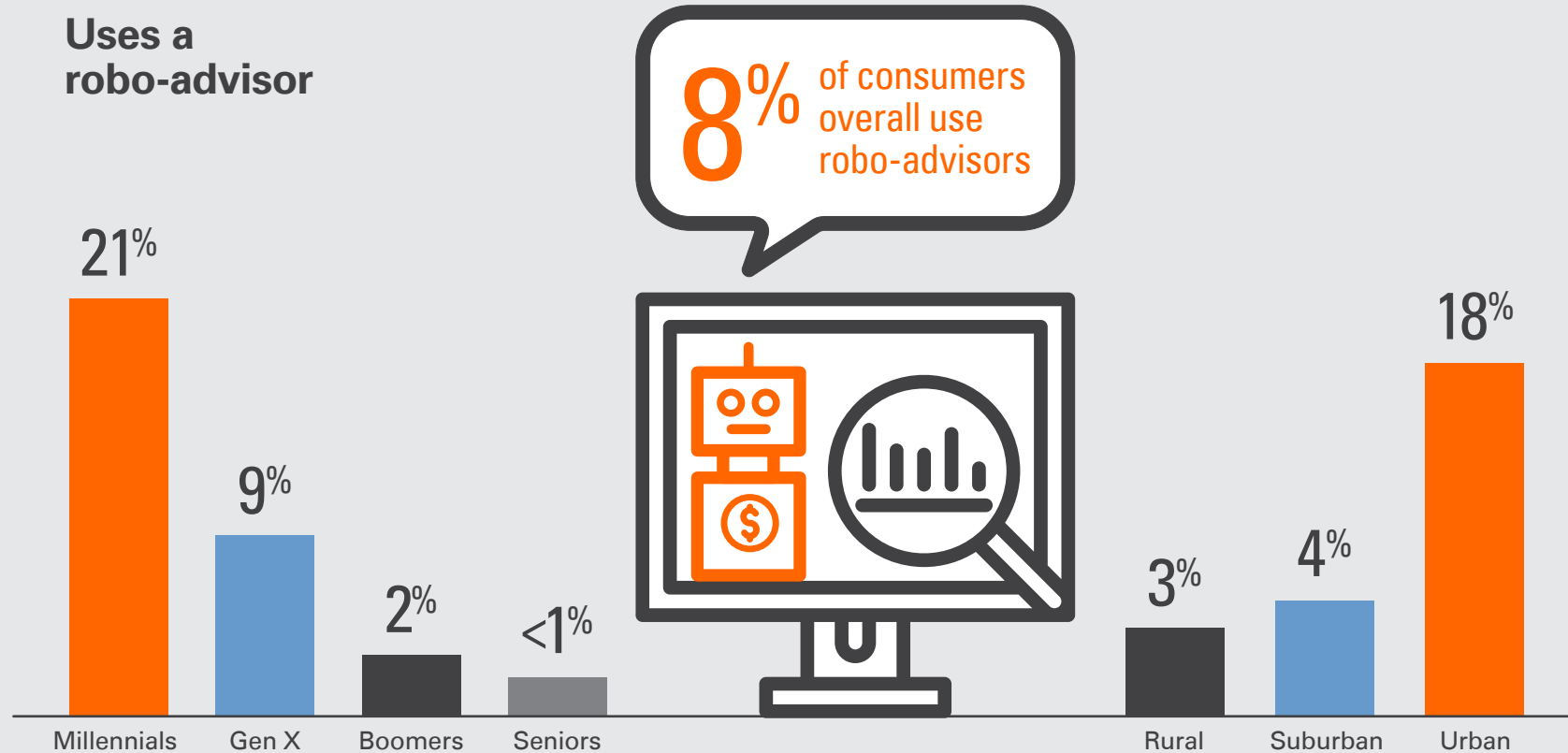


Average Grade:



Survey questions to all respondents, filtered by those with \$100k+ in investable assets: Are you currently investing your own money? / Do you currently work with a professional financial advisor? / Survey question to those with \$100k+ in investable assets and work with a financial advisor: Which best describes your working relationship with your primary financial advisor? / Survey question to those who invest their own money and have \$100k+ investable assets: What grade would you give yourself on knowledge investing your own money? / Survey question to those who do not work with an advisor and have \$100k+ investable assets: How interested are you in working with a professional financial advisor? / Why don't you work with a professional financial advisor? / Survey question to those who work with a financial advisor: Thinking about your primary financial advisor, is your advisor ...?

Younger, urban consumers who invest their own money are far more likely to use robo-advisors



Survey question to those who invest their own money: With a robo-advisor, you answer a pre-set list of questions on a website and automated computer algorithms provide you with recommendations on how to reach your financial goals. Are any of your current assets invested with a "robo-advisor"?

Cost and service drive consumers' choice of lender

Interest rates and fees continue to be important considerations in consumers' choice of a lender. In fact, 57 percent who have a loan say they are the most important factors. However, elements associated with the consumer experience – customer service, company reputation and knowledgeable staff – are also important to consumers when choosing a lender.

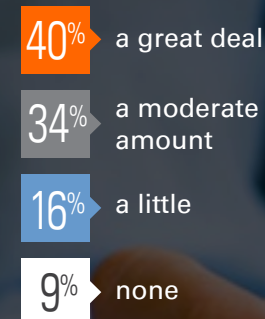
Prior experience also plays an increasingly important role in subsequent lender choices, with 74 percent who have a loan saying it has at least a moderate influence. This is up from 61 percent in last year's survey.

Key factors in choice of a lender

(among those who have at least one loan)

- 83%** Interest rate
- 83%** Low fees/service charges
- 75%** Customer service
- 70%** Company reputation
- 65%** Knowledgeable staff

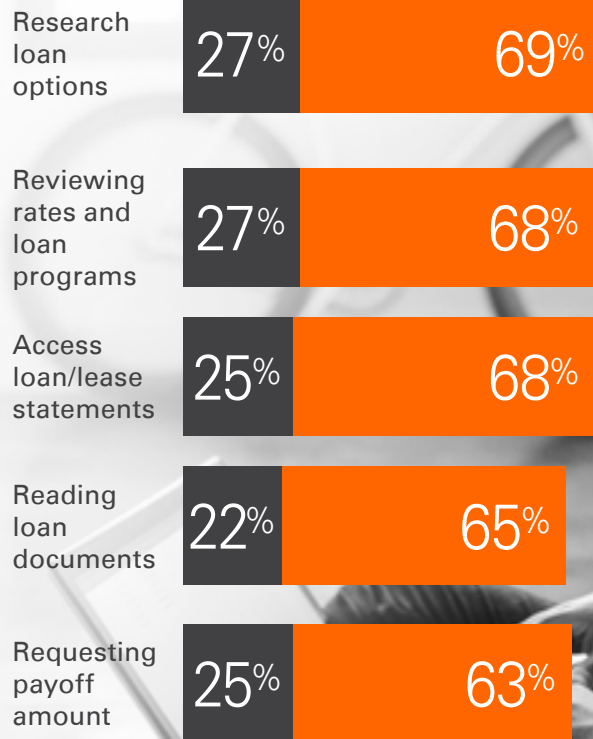
Influence of prior experience with a lender



Survey questions to those who have at least one loan: Which of the following factors play a role in your decision about which lender to choose when applying for a new loan? / Whether positive or negative, how much influence does your prior loan experience with a lender have when it comes to choosing a lender for your next loan?

Comfort with completing loan activities **online or via smartphone**

■ Smartphone
■ Online



Survey question to those who have at least one loan: Which of the following aspects of the loan process have you completed online or through a mobile device? / Survey questions to all qualified respondents: Regardless of whether or not you plan to apply for a loan in the future, which of the following aspects of the loan process would you feel comfortable completing online or through a mobile device?

Consumers grow more comfortable with digital loan activity

It is fairly common for consumers to have completed some aspects of the loan process online. For example, 46 percent of consumers who have a loan have accessed their loan or lease statements online, while 42 percent have scheduled payments.

Consumers are considerably less likely to have used their smartphones or tablets to complete portions of their loan process. For example, nearly four in 10 late millennials (39 percent) have used their smartphones to research loan options, compared to just 8 percent of their older peers.



48% of **millennials** would be comfortable **using their smartphones** to research loan options, compared to 19 percent of their older peers.

When thinking about future loans, many consumers are comfortable with researching, applying for and managing their loans online. Comfort levels with mobile are considerably lower, although younger consumers are far more likely to say their open to using mobile for their loan needs.

Barriers to digital loan applications: screens and security

Despite some comfort in completing aspects of the loan process online, concerns related to smartphones remain. Among those who are not comfortable using a smartphone for aspects of the loan process, security and convenience are the leading concerns. Approximately half of consumers saying screen size and data privacy concerns keep them from using their smartphones in the loan process.



30%

say **the option to pause** an application and continue another way would increase comfort with smartphones.

(of those who are uncomfortable using smartphones for loan activities)

Nearly one-third of these consumers say having the option to pause their application and continue online, in-person or via telephone would make them more comfortable with completing all aspects of the loan process on their smartphones. Increased website security is an improvement that could change the minds of 27 percent of these consumers.

Survey questions to those who are uncomfortable using smartphone for completing loan aspects: Which of the following are reasons why you do not feel comfortable doing these tasks via a smartphone? / Which of the following, if any, would make you feel more comfortable performing all aspects of the loan process via a smartphone?

Top barriers to smartphone loans

(of those who are uncomfortable using smartphones for loan activities)

50%
Screen size too small

47%
Data privacy concerns

38%
Prefer personal touch for questions

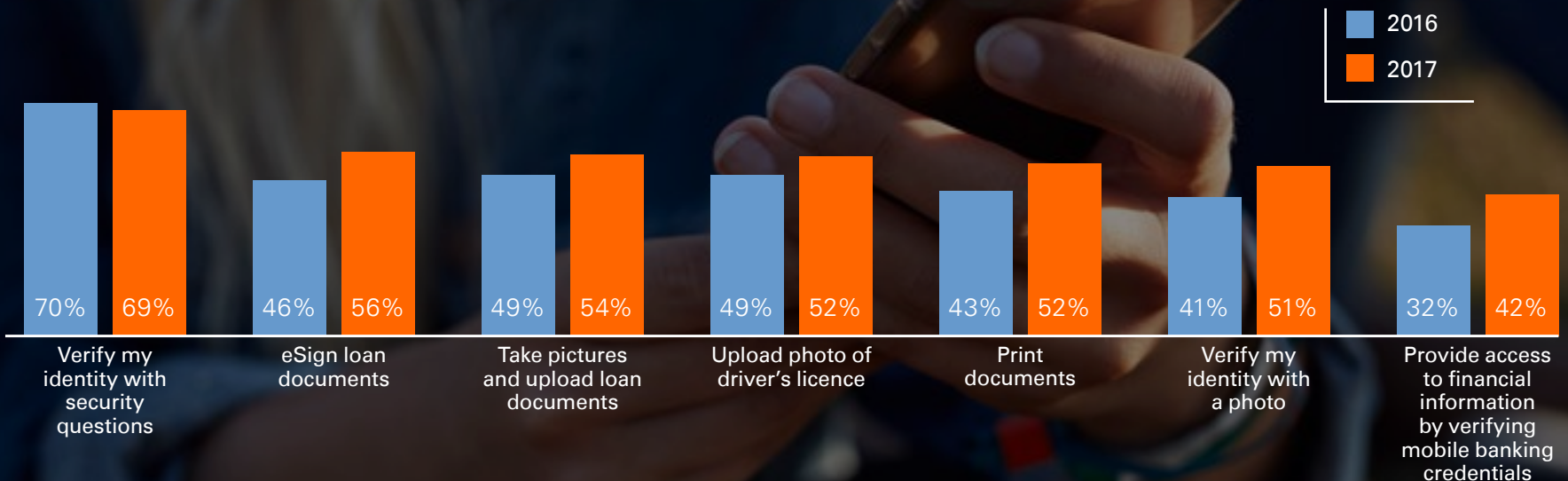
33%
Concerned data will be used without permission

Consumers open to options that speed up the loan process

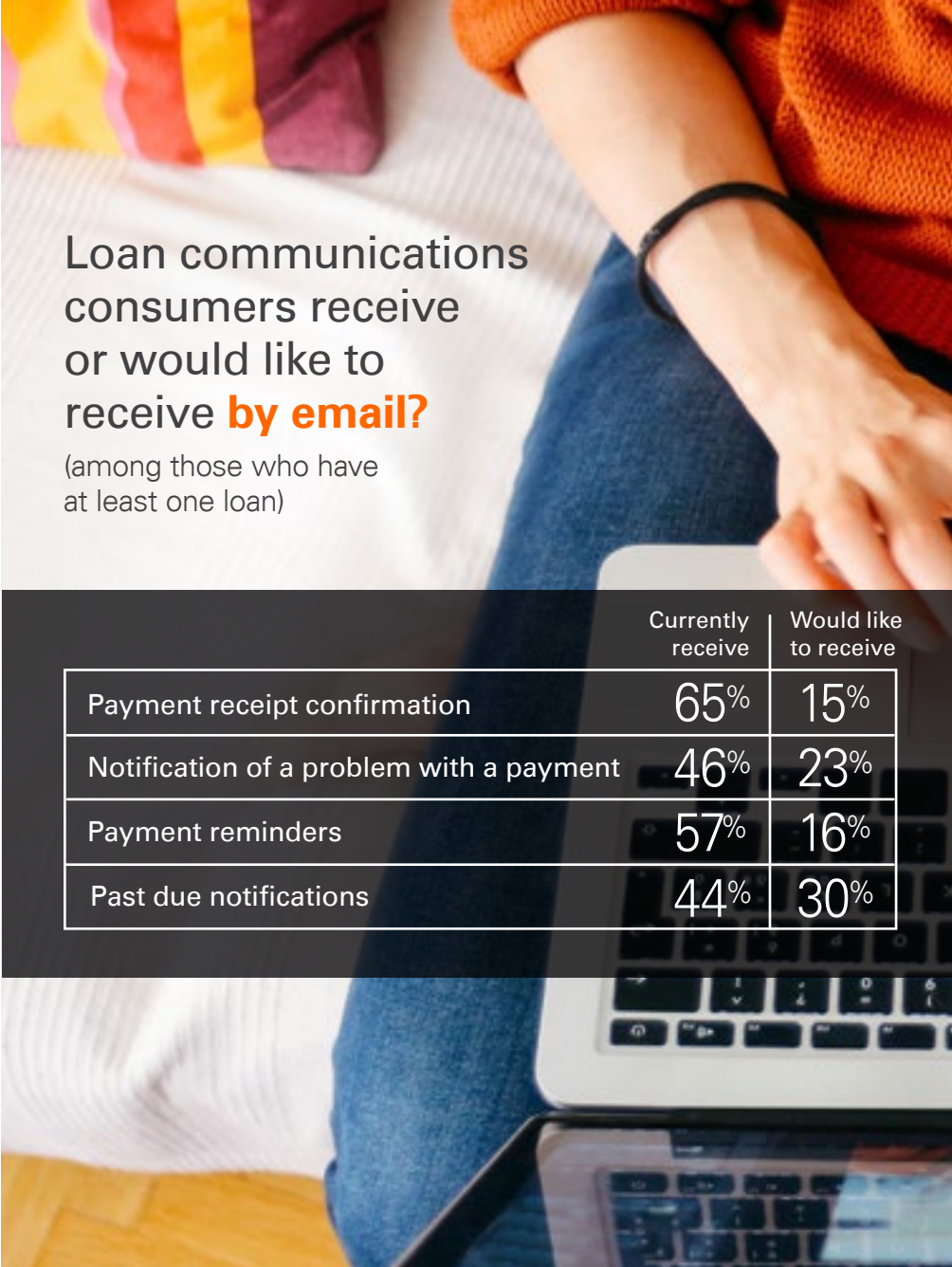
Consumers are willing to perform new kinds of tasks if it enables them to expedite the loan process. More than half are willing to eSign loan documents, photograph and upload loan materials and driver's licenses, and verify their identities via mobile.

When it comes to auto loans specifically, three in five consumers (61 percent) would be willing to be pre-qualified for other offers/ services that may be of interest to them if it means a faster loan process. Similar numbers would be willing to take a photo of a vehicle identification number as part of the application process (60 percent) or sign loan documents online (56 percent).

Willingness to use mobile features to expedite loan process on the rise



Survey question to those who did not select "NA I do not have a mobile device": How willing would you be to do each of the following, if it would mean making the loan process faster to complete? / Survey question to all qualified respondents: Thinking specifically about applying for an auto loan, how willing would you be to do each of the following, if it would mean making the loan process faster to complete?



Loan communications consumers receive or would like to receive **by email?**

(among those who have at least one loan)

	Currently receive	Would like to receive
Payment receipt confirmation	65%	15%
Notification of a problem with a payment	46%	23%
Payment reminders	57%	16%
Past due notifications	44%	30%

Email preferred for electronic loan communications

A significant majority of borrowers either already receives or would like to receive various kinds of loan communications via email. For example, 80 percent are amenable to receiving payment confirmations via email, with 65 percent of consumers saying they already receive this and another 15 percent saying they would like to receive such confirmations.















Text messages are less popular as a method of loan-related communications.

Approximately half of consumers say they already receive or would like to receive payment confirmations (49 percent) and reminders (47 percent), and alerts regarding past due payments (46 percent) or issues (48 percent).

Survey questions to those who have at least one loan: Do you currently receive any of the following reminders via email regarding any of your loan(s) from your lenders? / Do you currently receive the following reminders via text message regarding any of your loan(s) from your lenders?

Which contact methods are preferred? It depends.

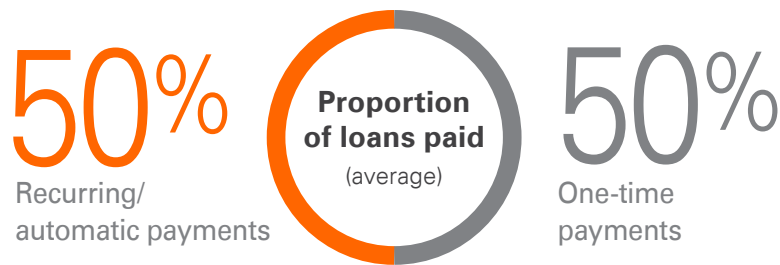
Consumers' preferences for contacting their lenders are influenced by the type of interaction. A lender's mobile app is the most preferred method to confirm information such as payments, payoffs, balances and due dates. When it comes to questions regarding payments or loan-related documents, consumers are most likely to prefer to speak with representatives by phone.

Check when next loan payment is due	Check the remaining balance of term	Contact lender with a payment question	Request an official payoff
 21% Mobile App	 20% Mobile App	 21% Speak with Rep via Phone	 17% Mobile App
 13% Email	 14% Speak with Rep via Phone	 12% Speak with Automated Voice Response System	 15% Speak with Rep via Phone
 11% Speak with Rep via Phone	 11% "Contact Us" Website Page	 11% Website Webchat	 13% "Contact Us" Website Page
		 11% Mobile App	 13% "Contact Us" Mobile Website Page

Survey question to those who have at least one loan: Regardless of whether your current lender(s) support these methods, in which of the following ways would you prefer to contact your lender for each of the actions below?

Electronic payments lead the way

Automatic and electronic loan payments are now the norm with digital methods making up four of the top five payment methods. Only 15 percent of consumers who have a loan choose to mail a check as their most frequently used form of payment. Payments are split evenly between one-time and recurring loan payments. On average, consumers have 1.5 recurring payments per month. Groups with more recurring payments than average include millennials (2.0), those who live in urban areas (2.0) and consumers with household incomes over \$150,000 per year (1.8).



When making one-time payments, 36 percent of consumers prefer to do so at their lender’s site (either online or mobile) while 37 percent prefer their financial organization’s online or mobile bill pay service. For those making automated payments, 41 percent prefer to do so through their lender’s site while another 41 percent prefer their financial organization’s bill pay service.

Most common ways to make loan payments

(among those who have at least one loan)

- 54%** Automatic payment from checking
- 47%** At the lender’s website
- 41%** Financial organization’s online bill pay
- 39%** Mailing a check
- 25%** Financial organization’s mobile bill pay

Survey questions to those who have at least one loan: Which of the following methods do you currently use to make loan payments? / How many loans do you currently pay in each of the following ways? / Survey question to those who have at least one loan and make one-time payments: Regardless of whether or not your current lender(s) support these options, which of the following ways would you most prefer to use to make one-time payments for loans?

About Fiserv

Fiserv, Inc. (NASDAQ:FISV) enables clients to achieve best-in-class results by driving quality and innovation in payments, processing services, risk and compliance, customer and channel management, and business insights and optimization. For more than 30 years, Fiserv has been a global leader in financial services technology. Fiserv is a FORTUNE 500 company and this year was honored to be named to the FORTUNE Magazine list of World's Most Admired Companies® for the fourth consecutive year. In 2015 the company was recognized among Forbes Magazine's America's Best Employers. For more information, visit fiserv.com.

About Harris Poll

Over the last five decades, Harris Polls have become media staples. With comprehensive experience and precise technique in public opinion polling, along with a proven track record of uncovering consumers' motivations and behaviors, Harris Poll has gained strong brand recognition around the world. Harris Poll offers a diverse portfolio of proprietary client solutions to transform relevant insights into actionable foresight for a wide range of industries including health care, technology, public affairs, energy, telecommunications, financial services, insurance, media, retail, restaurant and consumer packaged goods. Contact us for more information at consumerinsightsnainfo@nielsen.com.

Methodology

The survey was conducted online within the U.S. by Harris Poll June 13–29, 2017. A total of 3,095 interviews were conducted among U.S. adults ages 18 and older who met the following criteria: Someone in the household currently has a checking account with a bank, credit union, brokerage firm or other financial organization and has used their checking account to pay a bill or make a purchase in the past 30 days.

The data were weighted to ensure that relevant demographic characteristics of the sample matched those of the U.S. general population. All respondents (not only those who met the qualifying criteria) were weighted to U.S. Census Bureau demographic profiles for the U.S. population, age 18+ on education, age, gender, race, income, region, marital status, employment status, household size and number of hours spent on the internet (with targets for this variable coming from Nielsen Scarborough).

Notes: The reference questions and answer text provided here have in some cases been shortened due to space constraints. The complete text for any questions referenced in this report is available upon request. Age groups referenced in the survey are defined as follows: early millennials (18-24), late millennials (25-36), Gen X (37-51), early boomers (52-62), late boomers (63-70) and seniors (71+).

In a world that is moving faster than ever before, Fiserv helps clients deliver solutions that are in step with the way people live and work today—financial services at the speed of life. Learn more at fiserv.com.

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Fiserv, Inc.

255 Fiserv Drive
Brookfield, WI 53045

800-872-7882
262-879-5322
getsolutions@fiserv.com
www.fiserv.com