

Round-the-clock banking



BANKING WHEREVER AND WHENEVER YOU WANT

Nothing can beat the convenience of being able to quickly check your bank balance while waiting at the checkout queue or on the way to the shop. Need to transfer money to your friend who's paid the bill at the restaurant? It only takes a second! Even making a payment or setting up a direct debit via the PC can be done in the blink of an eye. We're all banking online today and as many as 20% of the respondents admit doing this even more frequently than before the coronavirus crisis. But what exactly are the most popular channels for digital banking and what are they being used for most often?

Apps and PCs remain the most popular channels for banking and the use of apps continues to grow



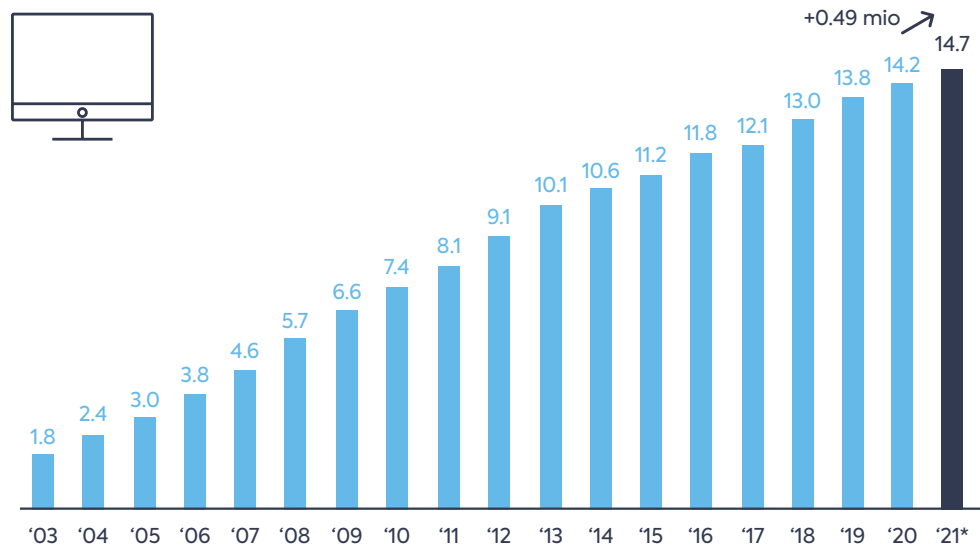
The most popular channels for using banking services are by far the PC (internet banking) and the app (mobile banking via a smartphone). A whopping 91% of the respondents - and remarkably, 93% of those aged over 55 - say they use banking services via the PC. The rise in the popularity of apps is particularly noteworthy: 81% do their banking via apps, whereas last year this was only 71%. This shows that apps are gaining in popularity, especially among young people, among whom this figure is as high as 92%.



Demand for internet and mobile banking accounts continues to rise

The increase in the use of PCs and smartphones or tablets for banking is clearly evident from the number of internet and mobile banking accounts. Over and above the very high number of nearly 12 million internet banking accounts in 2016, we see a further serious increase in 2021: an additional half million in one year and an increase by a quarter over the last five years.

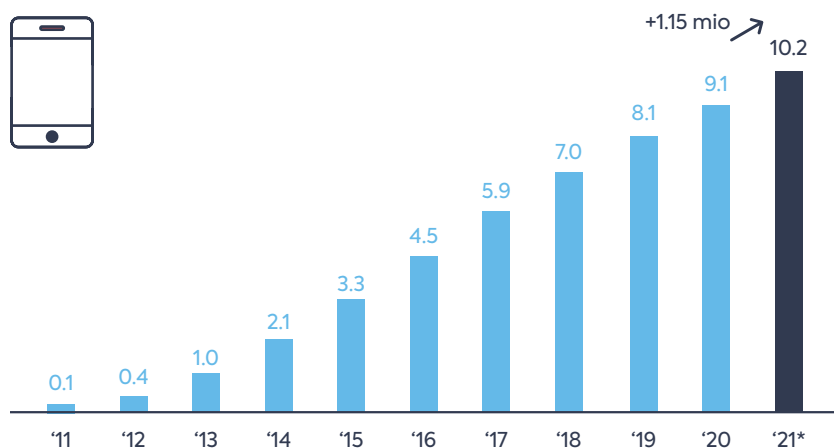
Number of internet banking accounts (in millions)



Source: Febelfin (*provisional figure)

For **mobile banking accounts**, we see that the upward trend is even higher than for internet banking: each year the number increases by more than a million. The total number has climbed to 10.2 million in 2021. That's more than double in five years.

Number of mobile banking accounts (in millions)



Source: Febelfin (*provisional figure)

Video call and live chat becoming increasingly common

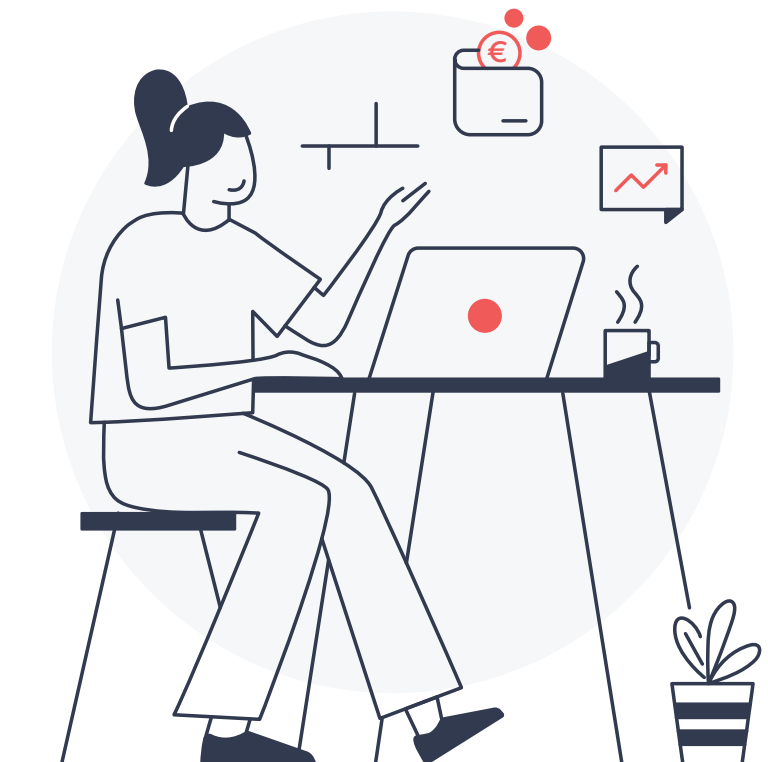


New technology and a wider choice of communication channels are also leading to new, easier and faster interactions between customers and their banks. People now have greater access to a range of banking services - at home, on the road or at work.

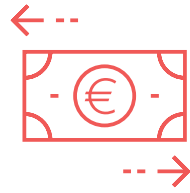
The use of video call and live chat is becoming increasingly common. Among Belgians, 31% occasionally use the video call option to consult banking services (compared to 28% last year). This is especially common among Belgian youth (45%). Even among people aged above 55, 21% have already interacted with a bank employee via video call.

Live chat is also gaining in popularity: 37% of Belgians say they have used this at some point of time (compared to 33% last year). Among young people, this is true for as much as half the group.

The telephone, however, continues to play an important role. Among the respondents, 72% still prefer the phone. Phone calls are slightly more frequent (72%) than in 2020 (66%).



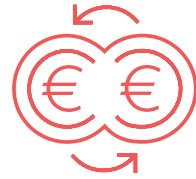
Top three online services



Making payments



Checking of balance/
transactions



Making transfers between
own accounts

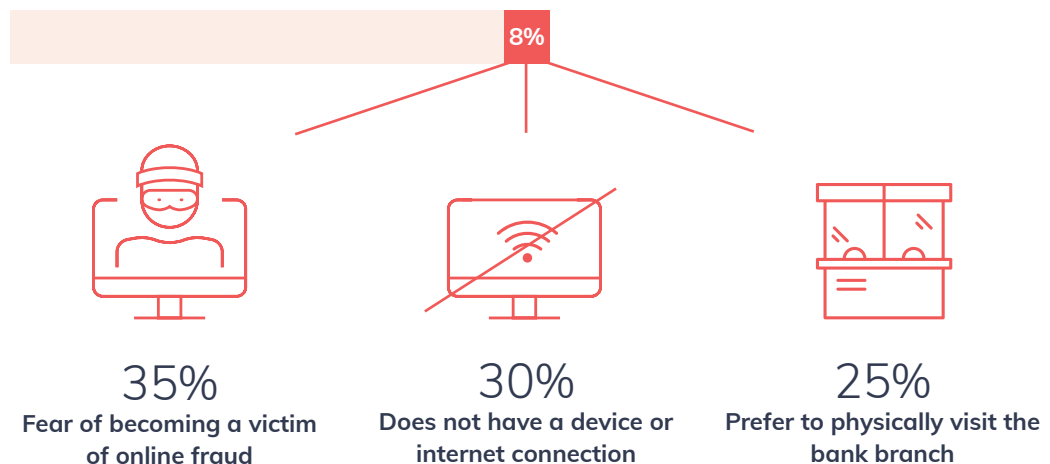
Half of the Belgians who do their banking via the internet say they use these services mainly to transfer money. Especially among people aged above 34, making payments is the main reason for banking online (via apps or websites).

The second most important reason is for viewing account balances and transactions, and thirdly, to make transfers between own accounts.

Banking apps have one specific advantage over bank websites: the mobile payments feature allows people to transfer money to family members or friends easily and quickly. For one out of five respondents (22% at present versus 17% in 2020), this is the reason for using banking apps. For the younger group, this proportion is even a bit higher: 35% of the respondents in this group indicated that they mainly use banking apps for this purpose.

Reason why 8% are not yet banking online

Despite the fact that 92% of the respondents said they have used online banking (PC) or mobile banking (smartphone) in the past three months, there is still a small group of people (8%) who are unwilling to take this step.



The banking sector is making a great effort to provide assistance and guidance in the transition to digital banking. For this, there is a continuing consultation with various institutions and organisations to expand the number of projects. The results of this survey have convinced us that this is the right way forward. The Universal Banking Service (with a minimum number of manual transactions) is also a solution that responds to the needs of the group of people who need additional support and who are not yet banking digitally.

MOST BELGIANS HARDLY EVER VISIT BANK BRANCHES ANYMORE

With the increasing availability of online options for customers to get in touch with their bank, we see fewer and fewer Belgians feeling the need to physically visit the bank.

More than half of the Belgians interviewed rarely visit a physical bank branch: nearly 6 in 10 never make a physical appointment with a bank employee or do so less than once a year.

It is noteworthy that even among older people the number of visits to the bank is rather limited: more than half never go the bank or go less than once a year (53%) and 40% go to the bank once to three times a year. Only 6% of this group of older people report going to the bank branch more than three times a year.

It is mainly young people (aged below 34) who, at some point in their lives, make an appointment to visit the bank branch (14%) a few times a year to seek specific advice, for example, for taking out a home loan.

31%

make an appointment only one to three times a year

17%

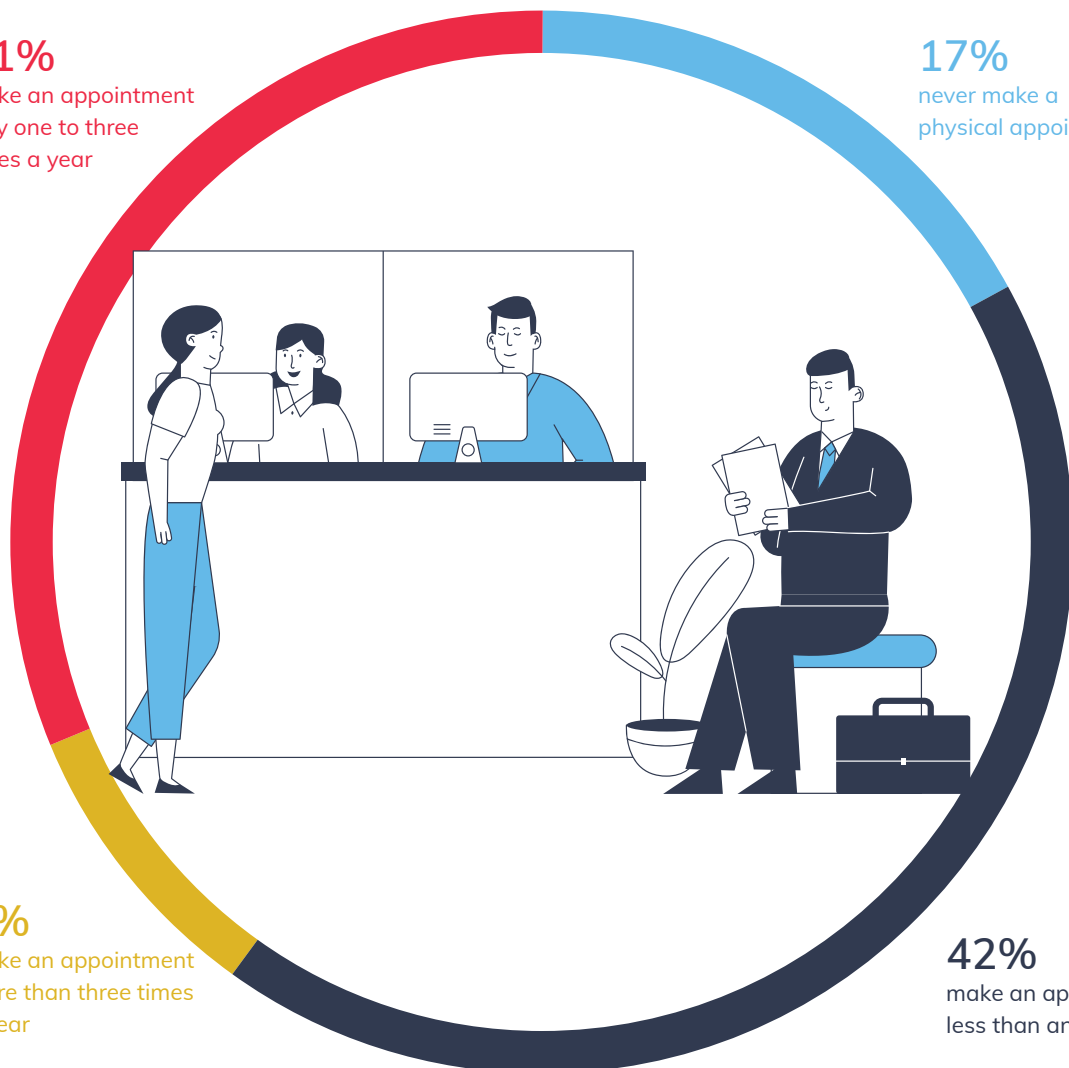
never make a physical appointment

9%

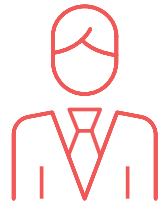
make an appointment more than three times a year

42%

make an appointment less than annually

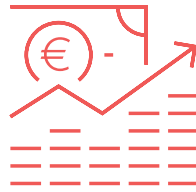


Reasons for making a physical appointment



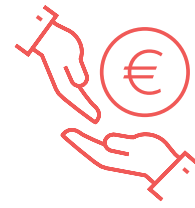
30%

Seeking advice on personal financial situation



26%

Monitoring investments and obtaining advice



23%

Applying for and managing loans

Very few people go to the bank branch anymore, especially for routine matters. In the last 15 years, paper-based transfers have decreased by about 91%. The same trend is seen among older people as well. The iVox study shows that only 4.4% of those aged over 55 still go to the bank branch to make transfers.

The number of transfers via the bank's self-service kiosks is also declining: only 2.4% of transfers were made via the kiosks in 2021, compared to 21% in 2008.

Online contact becoming more acceptable

Personal and human interactions can also take place remotely. Today, physical contact is essentially being replaced by personalised advice via online channels.



Nearly half of the Belgians interviewed (45%) indicate that they have no objections to having more online contact with their bank. Among young people, this percentage increases to 60%, but 33% of older people also indicate that they are open to more frequent online contact.

An equally large proportion of respondents say that the quality of service during online contacts with their bank is as good as when they physically visit the bank. A third of the respondents say 'video calling' is comparable to 'personal contact' with a bank employee.

WHAT DOES THIS MEAN IN PRACTICE?

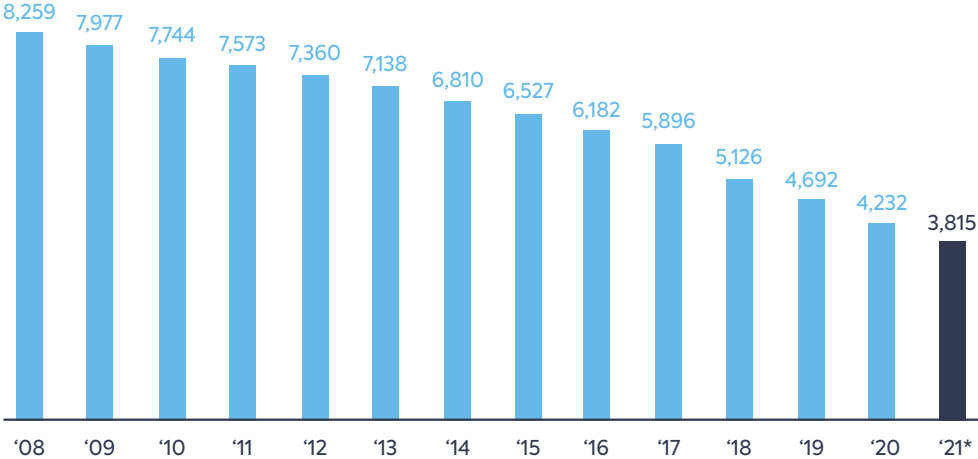
Things you used to go to the bank branch for earlier can now be done online, such as applying for a new bank card, creating a standing order, comparing different types of loans, and so on. As Belgian customers increasingly do their own banking digitally, their visits to the bank branch are decreasing. The banks are closely monitoring this social trend and aligning the services offered at their branches with this changing consumer behaviour.



Belgium has one of the densest networks of bank branches in all of Europe

The shift from the physical world to the worldwide web is a general trend which, of course, we also see reflected in the banking sector. The phasing out of the current network of bank branches is an evolution that has been underway for several years and which is in line with the current social trend. This does not mean you cannot make a physical appointment anymore: at the end of 2021, Belgium still had 3,815 physical bank branches. This is a decline of 9.8% compared to the previous year.

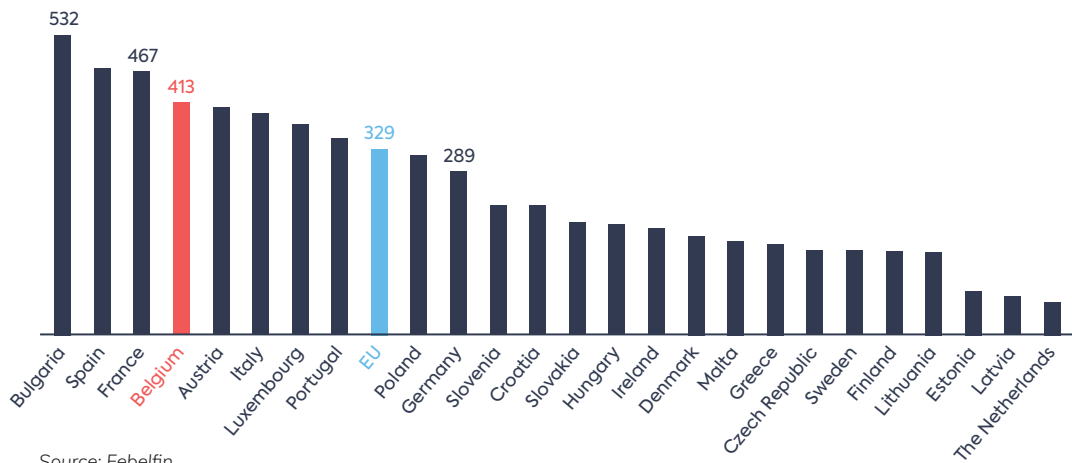
Total number of bank branches (2008-2021*)



Source: Febelfin (*provisional figure)

This is an evolution we also observe in other European countries. Despite the downward trend, Belgium has one of the densest bank branch networks compared to other European countries. For example, France has a slightly higher number, but the Netherlands has significantly fewer bank branches per million inhabitants than Belgium.

Number of bank branches (per million inhabitants, 2020)



Source: Febelfin

Despite the growing popularity of digital banking, the banking sector is very aware of its social role. For example, proximity to physical bank branches is, and will continue to be, important for a part of the population. Therefore, in its ten action points² for digital inclusion, Febelfin commits to continue guaranteeing appropriate solutions for the non-digital customer. Even bank customers who are not tech-savvy should be able to continue managing their financial affairs without having to resort to online tools.



² [Ten concrete action points for digital inclusion in the banking sector](#)

Use of cash: still on the decline

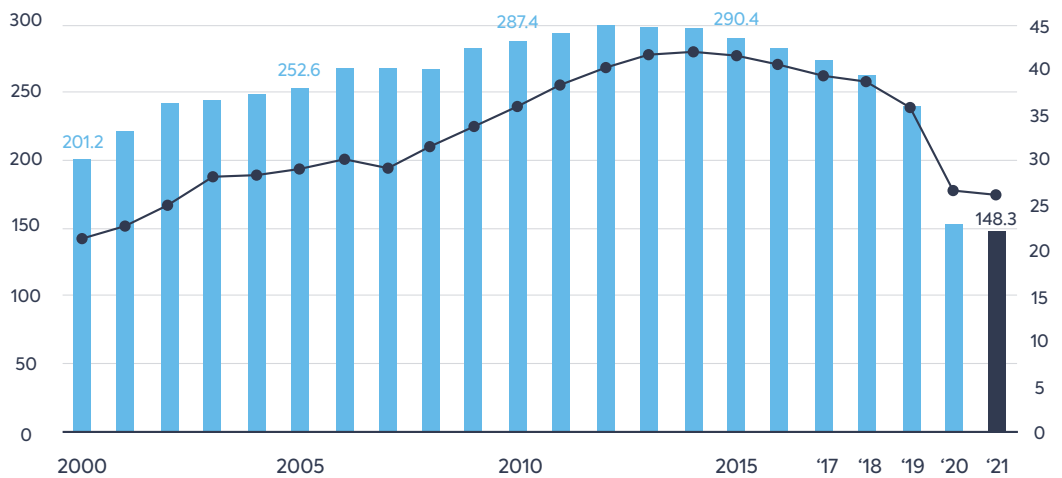
Paying by card or smartphone is not only much more secure and user-friendly, but it is also more hygienic. Especially when the payment is contactless. As a result, when the coronavirus crisis broke out, these payment modes were used very frequently. And even two years later, this new digital habit has not yet disappeared³.

The success of contactless payments is evident from our figures⁴: in December 2021, 57.70% of all debit card payments in shops were contactless. In comparison, in February 2020, this amounted to only 16%. That's more than a threefold increase in less than two years.

The number of ATM withdrawals, on the other hand, decreased by more than a third in 2020 compared to the previous year, partly due to the coronavirus crisis. Compared to 10 years ago, this number has reduced by half. This trend continues in 2021. The use of cash continues to decline, and the total number of cash withdrawals has dropped even further: compared to 2020, the number of withdrawals in 2021 fell by 5 million, a decline of 3.3%.



Cash withdrawals from ATMs (number and amount)



Source: Febelfin - excluding bpost (*provisional figure)

■ Number of withdrawals (in millions, left axis)
● Total amount (in billion €, right axis)

³ For more figures on digital payments: [Digital payment: Belgians take to digital payments en masse](#)

⁴ [Contactless payment: simple and secure](#)

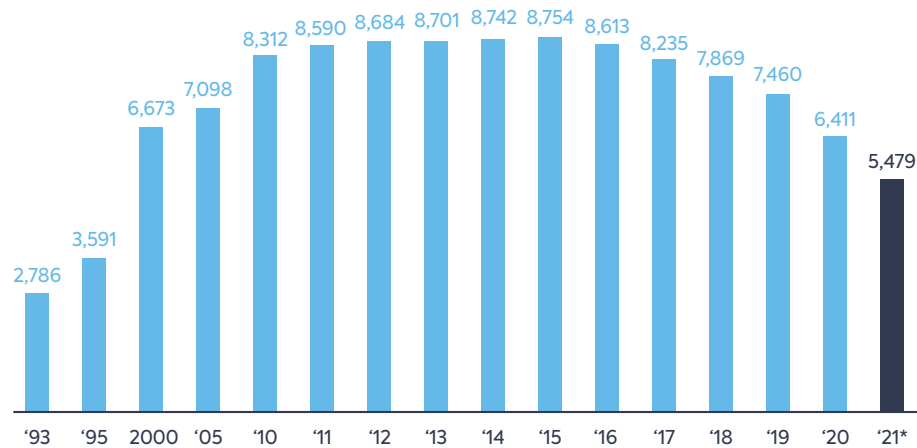
Changing customer behaviour translates to fewer ATMs

Technological innovation and changed customer behaviour are two important factors driving developments within the banking sector. Banks are thinking about how to best meet the needs of their customers, taking into account the latest technological innovations.

Belgians are banking more and more via the PC or smartphone and paying digitally more frequently. The decreased use of cash leads to fewer withdrawals from ATMs and that translates into fewer ATMs. This does not, however, mean that the demand for cash has disappeared. Access to cash is still a key objective of the financial sector. In collaboration with Batopin and Jofico, two initiatives are currently being rolled out to ensure continued access to ATMs for those who want this.

In Belgium, the ATM network remains important. At the end of 2021, there were still 5,479⁵ ATMs available in Belgium.

Total number of ATMs



Source: Febelfin - excluding bpost (*provisional figure)

⁵ bpost ATMs are not included in this figure.

BELGIANS ACQUIRE A TASTE FOR DIGITAL BANKING

The use of banking apps is becoming increasingly widespread, and the number of internet and mobile banking accounts continue to grow. Due to the extensive range of online services, fewer and fewer customers are making a physical appointment at a bank branch. The banks are responding to this and, based on regular evaluation, are bringing their services in line with the changed preferences of their customers.

Although customer behaviours are changing within every age group, the sector is aware of the importance of digital inclusion. A limited group of people are struggling with the transition to digital services and have a need for assistance and guidance. Digitisation is an irreversible social trend, and the financial sector is prepared to provide the necessary support and guidance. That is why the sector is investing in a wide variety of initiatives to assist this group of people: information sessions on secure digital banking are being organised in

Flanders, Brussels and Wallonia, and there is an ongoing collaboration with local authorities and numerous organisations to start up additional projects. Moreover, thanks to the Universal Banking Service, basic manual transactions remain accessible to anyone who needs them.

We will continue keeping a finger on the pulse and work out further initiatives in consultation with local governments as well as consumer, senior citizen, and welfare organisations. For all currently available materials on digital banking and payments and online security, please refer to **Febelfin's 'Digital Inclusion' brochure which will help you get started.**

The multichannel approach of Belgian banks is a conscious choice to meet the needs of all customers. Bank branches, ATMs, banking apps, websites, phone calls, video calls, live chats: there's something for everyone.



Belgian Financial Sector Federation

www.febelfin.be