



## What do older adults want from financial services

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 DigiAge



Engineering and  
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### Summary

Older adults remain the fastest growing demographic of internet users, with Age UK reporting that 58% of older adults surveyed used online financial services in the UK<sup>1</sup>. While many appreciate the convenience and opportunities online banking offers, a significant number feel excluded or unable to access these services, a situation that looks likely to continue. This briefing summarises research that explored how older adults manage their money, with a particular focus on: (i) their banking priorities and preferences; and (ii) their experiences of online banking. The research draws on findings from a literature review and in-depth interviews with 45 older adults\* and Age UK Digital champions conducted in 2023 and 2024.

### Introduction

Banking is recognised as an essential and highly-valued service for most, underpinning key transactions that support day-to-day living needs and relationships with others<sup>2</sup>. Providing easy access to banking services is crucial in enabling people to make use of the full range of benefits it offers, such as the setting up or amending direct debit payments to pay bills; the opening or closing of accounts to maximise returns; or discussing and establishing sensitive bereavement or power-of-attorney procedures. It is understandable, therefore, why significant shifts in how such services are provided evoke strong feelings in many older adults<sup>3,4</sup>, who see the loss of their local branch as a major blow that can leave them feeling doubly disenfranchised in the push to bank online<sup>1,5</sup>. While the majority of non-users of online banking are reported to be over 75<sup>1</sup>, multiple factors such as the rapid and continual progress in technological advances<sup>4</sup>, the cost of living, fear of scams<sup>1,7</sup> and preference for face to face interaction<sup>1,4</sup>, suggests that multiple generations will face similar challenges in accessing banking services.

### Key trends

- 55% use a mobile app from a traditional bank or building society (*up from 24% in 2019*)
- 49% use online banking from a traditional bank/building society (*down from 63% in 2019*)
- 4% use telephone banking (*down from 8% in 2019*)
- 22% continue to use their bank's branches (*down from 41% in 2019*)

Findings based on YouGov survey<sup>6</sup> of adults aged 65+, with 464 respondents in July 2019, and 463 respondents in September 2024.

## Research context

As highlighted in the literature, reasons cited by older adults for their lack of engagement with technology and online banking range from disinterest<sup>1,9</sup>, a lack of technical experience<sup>1,4,8</sup>, and access to family and friends acting as digital proxies<sup>7</sup>.

This research therefore sought answers to the following questions to understand the views and priorities of older adults:

**Q1:** What do older adults want from banking?

**Q2:** How do they feel about online banking?

**Q3:** How can non-adopters of online banking services be better supported?

## Methods

**Qualitative semi-structured interviews** with 40 older adults aged 65-92 based in the northwest of the UK conducted in 2023-24, exploring banking practices, including experience of, and attitudes towards, online banking.

**Qualitative semi-structured interviews** with 5 Age UK Digital champions from across the UK conducted in 2024.

## What do older adults say they want from banking

Our findings indicate many older adults continue to value highly the personalised service they receive in-branch and greatly appreciate the strong relationships they have built with bank staff over the years. Even those who use online banking cite a preference for in-person discussions in certain situations.

### *Avoiding closure of local bank branches*

Although some banks have put measures in place to mitigate against the closure of local branches, such as the establishment of banking hubs, many interview participants expressed strong views around the closure of their local bank branches, describing it both as a personal loss as well as the loss of a focal point in their community.

Others referred to the decline in their access to professional staff in banks as a concern, with some commenting they found it easier to process information when it was provided face-to-face.

### *Continued access to cash*

Many participants expressed their fear at the move away from cash, with a significant number stating that they relied solely on cash to help them budget.

### *Choice and equity*

A number of participants who did not bank online relayed how they resented feeling forced to use technology they did not understand, and how they felt overlooked and left behind. Conveying their dissatisfaction at what they considered to be a discriminatory two-tier system, they provided examples of being excluded from certain deals and offers which were only available to those able to bank online.

## How do older adults feel about online banking?

The majority of participants (67%) used internet banking to varying degrees and were generally happy with the service it provided, praising its convenience and usability, particularly the ability to quickly check balances and transactions. A number of concerns were raised, however, relating to:

- Difficulties associated with the lack of a paper trail when passing on their financial affairs;
- Over-reliance on 'tick box' processes and the resultant lack of flexibility and nuance in setting up power of attorney or similar procedures;
- Loss of bank branches and subsequent loss of personalised customer service;
- Over-reliance on telephone helplines and chatbots leading to a perceived decline in quality and efficiency of service;
- Technical issues (e.g. ID verification, 2-factor verification)
- The move away from cash.

### *Desired functionality*

Most who used online banking regularly did not identify any significant functionality they felt they required that was not currently offered at a basic level, although some did express an interest in accessing share-dealing. Several participants wanted more simplicity when setting up new payees such as charities, who did not fit into existing categories.

A small number of participants did request the provision of personalised financial planning and advice tools that were simple to access and navigate, including those focused on bereavement services. Various digital tools, including some sort of *digital aggregation service*, could therefore be designed and developed, with an emphasis on responsiveness and carefully considered user-design to support customers, for example:

- A 'digital paper trail' tool to draw together accounts held across banks, building societies and other financial institutions;
- A suite of highly-customisable financial planning and forecast tools.

### *Reasons for lack of engagement with online banking*

Some 25% of participants did not use online banking, relying instead on telephone banking or their local branch to complete transactions, with the majority of these aged over 80. All had family nearby who acted as digital proxies. Further, all had little or no experience in using technology, with no desire to learn more. Others, including those with wide-ranging technical experience, stated they wished to avoid online banking primarily due to the fear of scams, as well as concerns about their data being hacked or shared without their permission. Some who had previously used online banking on a PC said they had ceased doing so due to it no longer working or because of physical impairment. Of note, the lack of flexibility offered by one bank to allow customers to have more than one online account led one participant to withdraw their application for online banking entirely.

### *Support and learning preferences*

A number of participants praised the support they received from bank staff in their local branches, particularly in helping them to use machines to draw cash out or to pay in cheques. The vast majority who used online banking said they had never received a useful answer to a question from a pre-programmed chatbot, however one participant did learn how to pay in cheques via this medium. A few found it laborious to compose and type in queries, particularly where these were complex. There were widespread complaints regarding the time spent waiting for telephone support and how this led to feelings of frustration, particularly in

understanding or following instructions when hearing impairment was an issue.

With reference to learning, the majority of participants said they preferred to learn new techniques by trying things out for themselves with a family member or friend on hand, or following a well-designed printout of step-by-step instructions. Very few found they could learn well from video tutorials, primarily due to issues in navigating between the video and their device.

### **Reasons given for non-adoption**

- Disinterest
- Fear of being scammed
- Lack of confidence
- Lack of face-to-face support
- Access to 'digital proxies'
- Preference for personalised service and face-to-face contact
- Preference for cash
- Lack of trust in online banking services
- Inflexibility in banking services
- Lapsed user

### *Demographics*

Reflecting findings from Age UK<sup>1</sup>, those adults interviewed who were aged 75+ and who came from lower SES backgrounds were more likely to be inexperienced in using technology. Primary reasons cited for their disinterest and/or lack of motivation in learning to use online banking were age and/or reliance on family members as digital proxies.

Contrary to findings from Age UK, a significant proportion of women participants said they were solely responsible for online banking in their household. Raising concerns regarding their husband or partner's unwillingness to engage with technology, they expressed worries that this reliance on others to perform online financial transactions on their behalf made them vulnerable. This may suggest that such older men are an overlooked demographic, warranting further research.

## How can non-adopters be supported

While research shows there is steady growth in online, and particular mobile, banking amongst the older adult population<sup>1</sup>, further efforts are needed to respond to the legitimate concerns held by many older adults that act as a barrier to take up, as well as supporting those who choose not to use it.

### *Confidence and fear of scams acting as barrier*

**Recommendation:** work closely with older adults to allay fears and build confidence through:

- Running targeted bank-led in-person tailored sessions in the community;
- Funding Age UK and/or similar organisations to offer such sessions. To have lasting impact, such sessions should run over a number of weeks to embed knowledge and confidence, and to enable any questions to be answered.

### *Use of digital proxies and informal banking arrangements*

The use of family or friends as digital proxies in informal banking arrangements was widespread in those with little or no technical experience, and while generally accepted as a benefit, some did raise concerns regarding their lack of financial control.

**Recommendation:** reach those identified as being vulnerable or at risk by sending paper copies of leaflets to their home addresses to:

- (i) Signpost the availability of dedicated technical support (whether in-person or voice call) to assist them in managing their own affairs;
- (ii) Provide details of how to set up flexible but formal arrangements to enable named persons to bank on their behalf, should this be required.

### *Supporting those who want face-to-face contact*

For those who do not wish to use online banking, it is crucial that equitable levels of service are offered. This will help ensure that clients do not feel discriminated against, left behind or fearful about their access to banking services.

#### **Recommendations:**

- Provide an offline mechanism to enable clients who do not online bank to indicate their preference for learning, or not learning, online banking, and avoid pressuring those who state they have no interest;
- Provide equivalent offers, for example improved savings rates, through the post to those who do not online bank;
- Allay fears by committing both to the continued use of cash, and the creation and use of banking hubs in areas where branches are to be closed.

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\*The empirical research followed NHS guidance in considering older adults to be people aged 65+.

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