As Mobile Usage Grows, Lack of Trust in Security Still Hampers Mobile Banking

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Mobile has opened up a new channel of engagement and authentication for companies. Financial institutions can keep customers informed about the security and health of their personal finances while also using mobile for more effective identification and authorization.

But consumers are centralizing more of their lives around their mobile devices. That often means keeping a great deal of sensitive personal and financial information in one place, posing risks for both consumers and financial firms, according to a new eMarketer report, â€œPrivacy and Security in Financial Services: Reconciling Safety with Convenience in an Always-On World.â€• It is understandable that many consumers are still getting used to mobile financeâ€”just as they had to get used to banking and shopping online a decade ago. In June 2013 polling by Celent, lack of trust in mobile phone security ranked as the top inhibitor to mobile banking adoption. While consumers often express concerns about mobile privacy and security in surveys, they also chafe in real life when security mechanisms impede their mobile experiences, which are increasingly integrated with their lives. This highlights consumersâ€™ conflicted relationship with privacy and security. According to Jumioâ€™s June 2013 study of consumersâ€™ mobile habits, four in 10 US adults reported that they did not protect their smartphone with a password or PINâ€”forgoing a security best practice that would help protect the information they worry about becoming compromised. While some users perceive security steps as roadblocks to a seamless experience, others find that security steps help instill a sense of trust. In Ponemon Instituteâ€™s April 2013 research, close to half of US respondents did not trust systems that only relied on passwords. And 46% reported that they did not use websites that had what they deemed â€œeasyâ€• identification and authorization procedures.For more information please visit: www.emarketer.com | @eMarketerÂ