



**FS Club Events**



# GFT Banking Disruption Index

**Richard Kalas | Customer Solutions Director, GFT**

**11:00, Tuesday, 02 July 2024**



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# A Word From Our Chairman



**Charlotte Dawber-  
Ashley**

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## Today's Agenda

- 11:00 - 11:05 Chairman's Introduction
- 11:05 - 11:25 Keynote Presentation - Richard Kalas
- 11:25 - 11:45 Question & Answer



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# Today's Speaker



**Richard Kalas**

Customer Solutions Director  
GFT

# Banking disruption index

## Are Brits sleepwalking into a debt disaster?

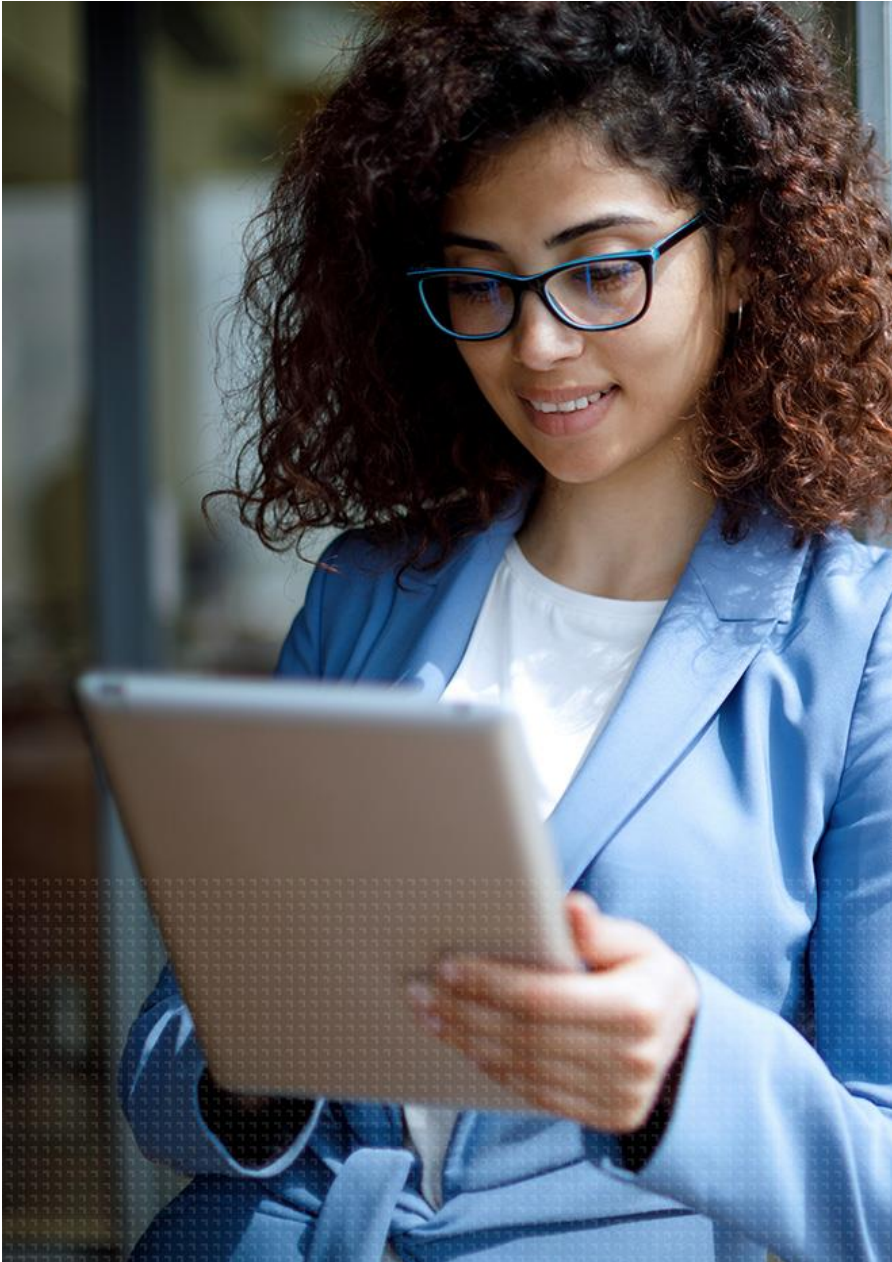
June 2024

**Richard Kalas**  
Client Solutions Director, GFT



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# GFT is the engineering partner of choice for modern banking platform innovation

**12,000+**  
Specialists worldwide

**20+**  
markets worldwide  
operating from 45+  
physical locations

**35+**  
years' experience



- Banking 73%
- Insurance 16%
- Industry & others 11%

- AI + Data 8%
- Engineering Services + Reg 39%
- Platform Modernisation 53%



## GFT's Banking Disruption Index – the story so far

- Since 2022 our BDI has examined consumer attitudes to their finances and the services provided by their bank
- The initial BDI showed **48%** of customers do not trust their bank to manage their finances during a recession, and **67%** would prefer to use an app for their everyday banking needs
- Then we found **77%** of customers felt anxious when checking their mobile banking apps, and **43%** preferred to liaise with their bank digitally
- In BDI #3 we learned only **26%** of consumers understand their banking providers' foreign spending fees, and **32%** did not think the fees were reasonable
- In later research we discovered **61%** of consumers were happy with their bank to use AI to support them

# GFT's Banking Disruption Index #6

- a focus on **saving, spending** and **rising debt**

- In **BDI#6**, we wanted to first look at the **levels of borrowing** and the **mounting debt** that UK bank customers are accumulating – often due to a lack of awareness of interest rates and fees
- We also wanted to examine **attitudes to saving**; if and how consumers are managing to balance saving against the cost-of-living challenges
- And finally, how well used are the **tools that banks are making available** to help with financial management, and what other tools would consumers like?

## GFT's Banking Disruption Index #6

### - levels of **borrowing** headlines

- **75%** of customers have a **credit card**, and the average debt they have is nearly **£2,700**, although only **14%** are worried about it
- **1/3** of consumers have contemplated taking out a pay-day-loan in last 12 months
- **39%** of those surveyed have no way of tracking their spending, with many increasingly using their credit card or an overdraft for everyday spending
- **45%** are using their overdraft before month end, with **25%** falling into an unarranged overdraft, incurring significant charges

## GFT's Banking Disruption Index #6

### - levels of **saving** headlines

- **84%** of consumers expressed a desire to save, but only **69%** are able to do so, with the average across all ages of **£227** per month
- **18-24** year-olds are saving the least, but also only **55%** of **45-54** year-olds are saving regularly
- **48%** of respondents are saving into an 'emergency' fund – highlighting insecurity
- **44%** of savers do so with a traditional bank, whilst **23%** preferred to save with a digital-only 'neobank'

## GFT's Banking Disruption Index #6

### - what **banking services** are available to help customers?

- The rise of digital banking has led to a many new tools to help consumers manage their finances; however, **40%** are **not using** any form of expense tracking
- **42%** reported being happy with their bank's support with credit card and overdraft costs, but a further **32%** were unsure of what products and services are available
- Whilst there is heavy use of credit cards and overdrafts, buy-now-pay-later (BNPL) is proving increasingly popular, especially with the younger generation, **with £1 in every £7** being spent using this method
- Whilst many neobanks have launched 'savings pots' and better money management, such as Starling's 'budget planner', there is more to be done to help consumers more widely

# Conclusions

- Customers **continue to struggle with high costs of borrowing** and low wage growth, driving the increased use of credit cards and overdrafts
- At the same time, there is a **desire to continue saving**, but this is being squeezed by the burden of inflation and paying for credit
- We are likely to see more customers availing themselves of **new digital services**, migrating to those customer platforms that can offer more tailored services, with the new neobanks finding it easier to innovate
- The modern new banks are able to **connect customers more directly** with the tools that can help them, even if the services being provided are similar to those of the traditional banks

# Banking Disruption Index Q&A



**Richard Kalas**  
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# Poll questions 1

## After slide 5

- Do you agree with BDI findings that levels of credit card and overdraft debt continues to rise?
- - a. Not rising
  - b. Rising a little
  - c. Staying the same
  - d. Rising a little
  - e. Rising a lot

# Poll questions 2

## After slide 6

- Do you agree with BDI findings around savings? (tick all that apply)
- - a. No, I continue to save regularly
  - b. I save for an 'emergency' fund rather than a specific goal
  - c. I save with a 'traditional' bank
  - d. I save with a neobank

# Poll questions 3

## After slide 7

- Do you agree with BDI findings advanced bank services? (tick all that apply)
- - a. I make use of advanced bank services to track my expenses
  - b. I'm aware of services my bank provides for managing debt
  - c. I'm happy with my bank's credit card and overdraft support
  - d. I actively use buy-now-pay-later methods of payment
  - e. I use 'savings pots' and other tools from the neobanks



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# Comments, Questions & Answers



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Question & Answer

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# Forthcoming Events

- Wednesday, 03 July 2024 (11:00 - 11:45 BST) Autism Approaches: Enhancing Skills With Virtual Reality And Motion Tracking Haptic Gloves
- Thursday, 04 July 2024 (11:00 - 11:45 BST) Sustainability, Circular Ecology And Circular Economy: Treasuring The Planet's Resources For The Future
- Monday, 08 July 2024 (11:00 - 11:45 BST) Investment Opportunities To Use Science To Make Land Use Sustainable

**Visit:** <https://fsclub.zyen.com/events/forthcoming-events/>

**Watch past webinars:** <https://www.youtube.com/zyengroup>