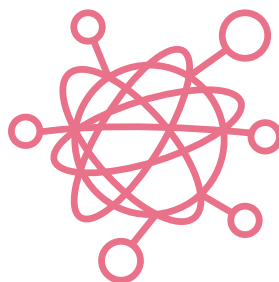


1st STUDY ON THE KNOWLEDGE, HABITS AND USE OF FINTECH IN SPAIN

ASUFIN | 12.12.2019



asufintech

This study is an ASUFIN project subsidised by the Ministerio de Sanidad, Consumo y Bienestar Social y la Dirección General de Consumo (Ministry of Health, Consumer Affairs and Social Welfare and the General Management of Consumer Affairs), and its content is the sole responsibility of the beneficiary entity.

INTRODUCTION

The Fintech phenomenon is a business reality in Spain. Recent studies such as Fintech Radar estimate that the number of companies in Spain from different Fintech areas has risen to 392, 16% more than last year. This business sector already employs between 5,000 and 7,500 workers, according to different sources, and is forecast to exceed 10,000 jobs in the next two years. The economic importance of Spanish Fintech is apparent and increasing, and this is without the anticipated entry of the technology giants such as Google, Amazon, Facebook and Apple (GAFA).

But what impact does the Fintech phenomenon have on the Spanish consumer?

But what impact does the Fintech phenomenon have on the Spanish consumer? This **FIRST STUDY ON THE KNOWLEDGE, HABITS AND USE OF FINTECH IN SPAIN** by ASUFIN aims to understand how Fintech is affecting the consumer and to answer key questions about its knowledge, use, the most used services and what is the perception of the consumer regarding the use of their personal data.

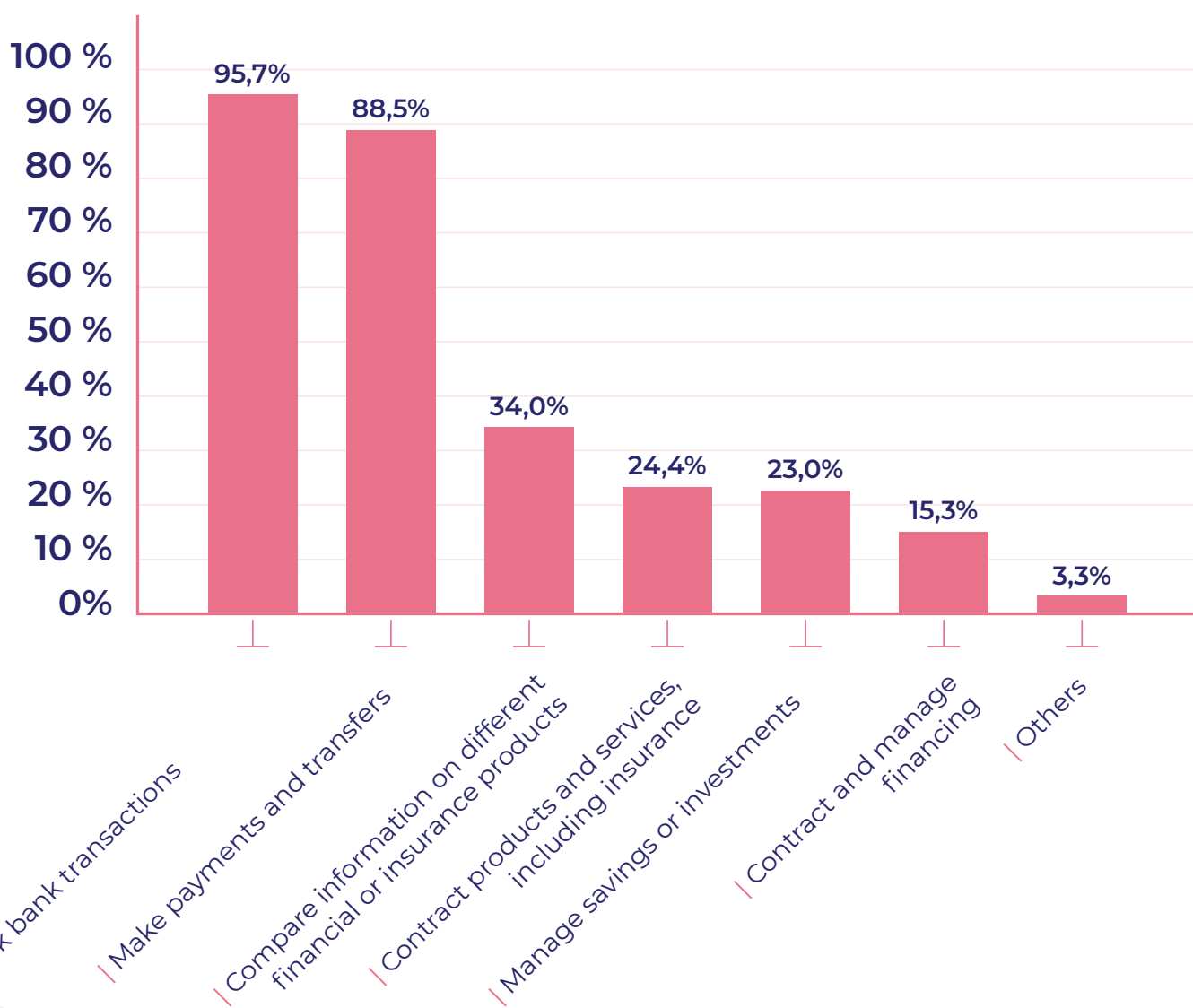
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1. THE USE OF TECHNOLOGY IN FINANCIAL SERVICES

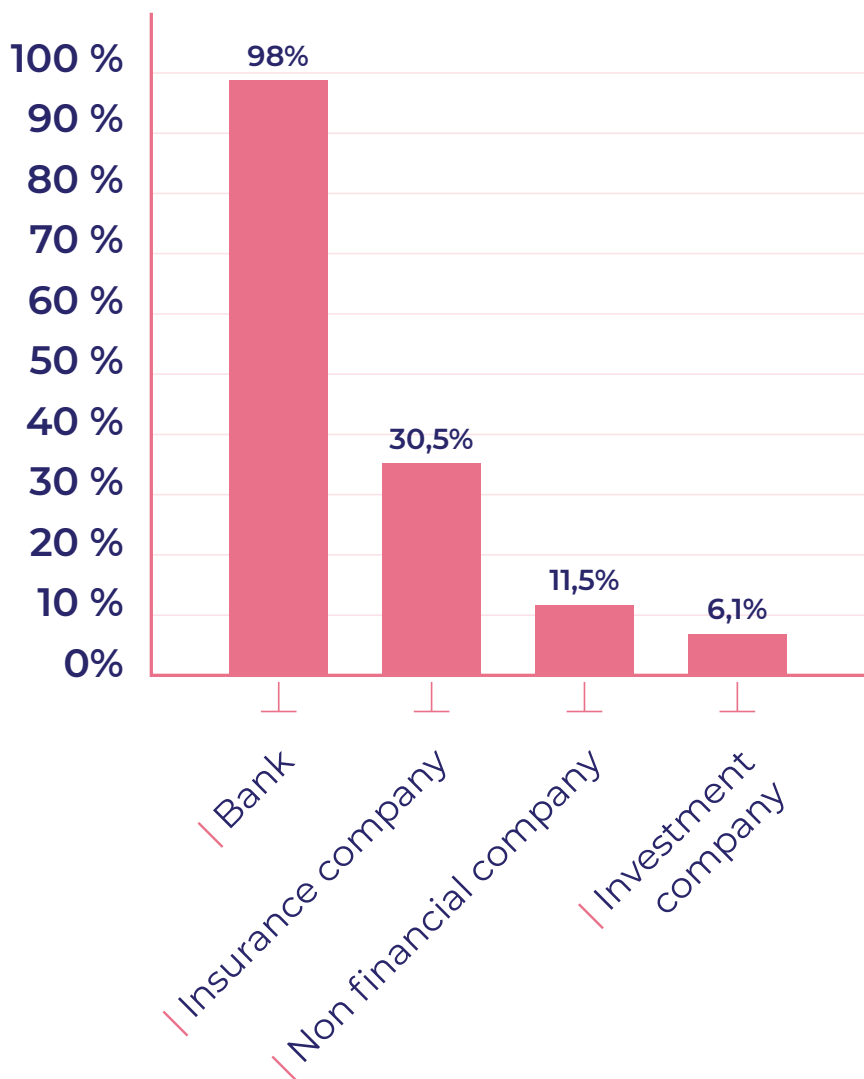
Technology is widespread in the management of financial services with Spanish citizens, but its main uses are rooted in the most basic tasks. **95.7%** use the Internet to check transactions and **88.5%** to make payments and transfers.

The use of other options offered by the technology lag far behind these figures. **34%** compare information on different financial or insurance products. This percentage drops drastically when contracting products and services (**24.4%**), managing savings and investments (**23%**) and especially the contracting and managing of finance with **15.3%**, or less than 2 out of 10 Spanish residents.

This "conservative" use is reflected in the means employed. The bank is the most used option with **98%** of respondents operating through their financial institution, followed distantly by insurers with **30.5%**.

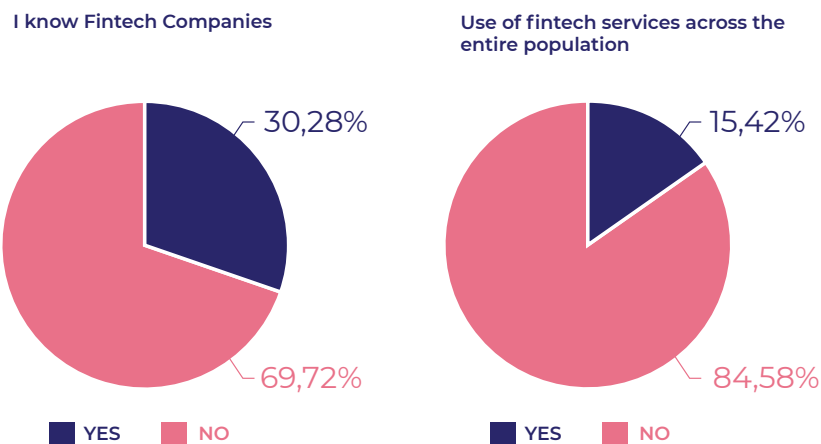


Way below these are the investment companies or services (Securities Agencies, Independent Financial Advisors, etc.), which account for only 6.1% of the total. A percentage exceeded by non-financial companies in which 11.5% of respondents state they already operate.



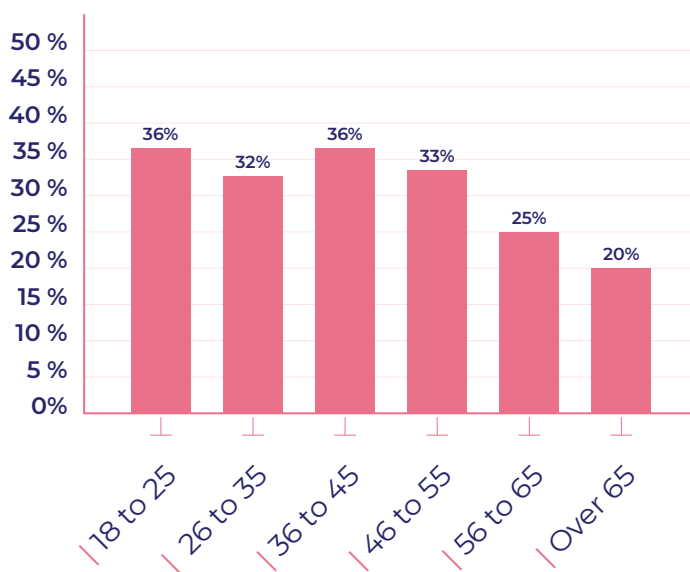
2. KNOWLEDGE OF FINTECH COMPANIES

In a situation in which the consumer continues to use mainly financial institutions, the knowledge of Fintech is already significant and includes 30.28% of the population.



This knowledge does signify use. In fact, only half of those who know what a Fintech is say they use them.

In total, only 15.5% of respondents say they use Fintech. This percentage is 4 points higher than for those stating they use non-financial companies for other types of services that are not included in classic financial operations such as aggregators or cryptocurrencies.

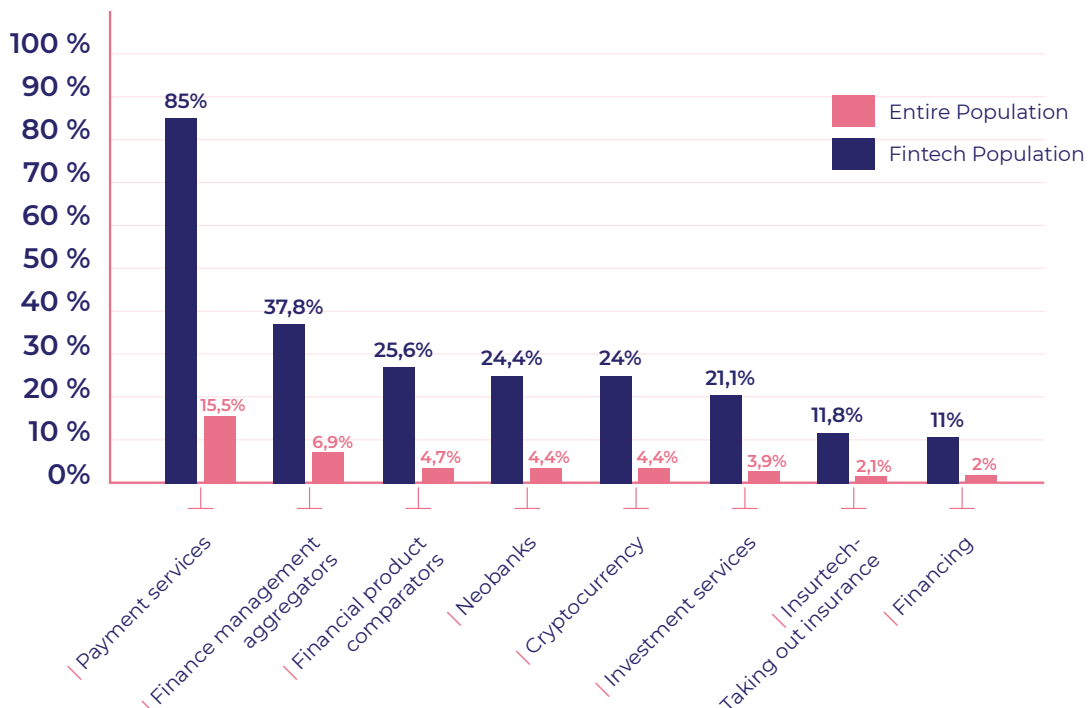


This level of knowledge, with a few differences, is quite similar through the age ranges from 18 to 55 years. The 18 to 26 and 46 to 55 year-old brackets are the most aware when it comes to the existence of Fintech companies, with 36% each, but not far behind are the 46 to 55 year-olds (33%) followed by the 26 to 35 year-olds (32%). This knowledge then drops significantly in the 56 to 65 year-old band (25%) and further in the over 65s (20%).

Where there is more difference is in the use of Fintech services. The age group using it the most is the **26 to 35 year-olds** with 23.6%, followed by **36 to 45 year-olds** with 19.5%. The third highest is in the **18 to 25 year-old band** with 16.6%. This age group, which stood out for its knowledge of Fintech services, drops sharply in relation to usage due to the problems the youngest have in accessing services such as financing and most notably investment. The fourth band is **46 to 55 year-olds** with 15.9%, but is dramatically lower among those older than this. Between **56 and 65**, only 3.7% indicate that they use these services, a percentage which further reduces to just 2.6%.

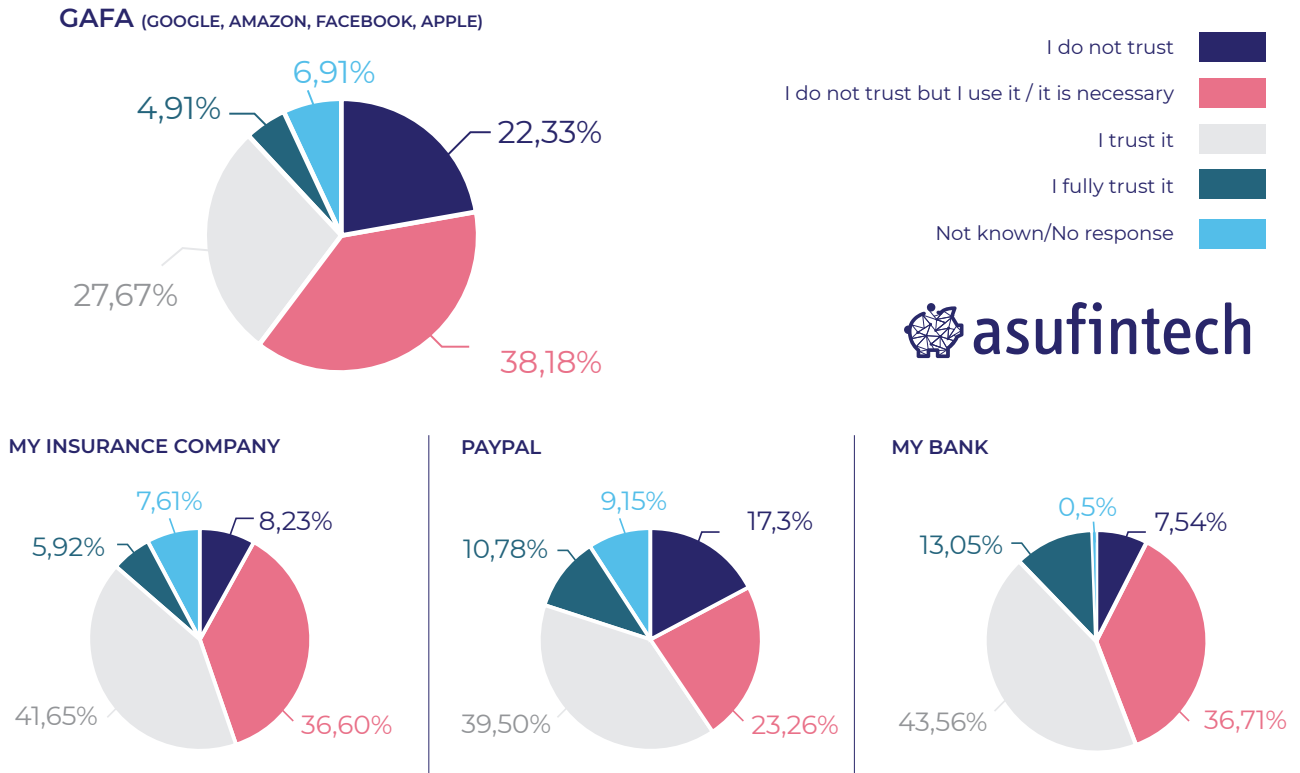


The use of Fintech services also remains very traditional. 15.1% of the population uses payment services, such as PayPal or TransferWise, or practically all those who state they use Fintech companies, which falls very significantly for other services such as aggregators for finance management (6.9%), financial product comparators (4.7%), Neobanks and cryptocurrencies (4.4%) or investment services (3.9%).



3. TRUST IN TECHNOLOGIES, FINANCIAL ENTITIES AND INSTITUTIONS

A good part of Fintech services are based on the knowledge and use of personal data in order to offer more personalised services. This use will be even more pronounced when the GAFA tech giants (Google, Apple, Facebook and Amazon) actively enter the market.



Most respondents distrust the use of their data by the tech companies. Only 32.6% trust (27.67% trust and 4.91% fully trust). To the contrary, 22.33% do not trust and almost 4 out of 10 consumers, 38.18%, while not trusting, use it or consider it necessary.

It is this dependence that lends greater power to the large technology companies and the potential to develop other solutions, although, as we will see later, the majority consider this transfer of data to be sufficient.

These results contrast with how banks and insurers are viewed, so while 60% did not trust large technology companies, this percentage is reduced to 44% in the case of banks (7.5% do not trust and 36.7% do not trust, but use or consider it necessary).

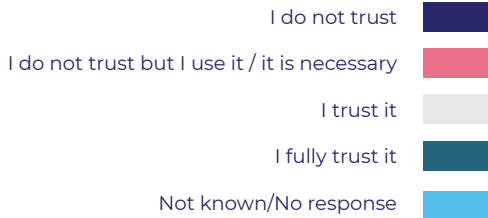
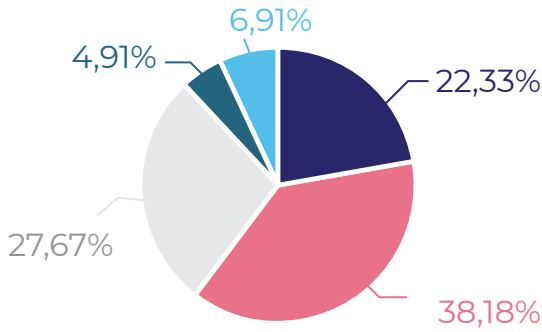
With respect to insurers, although they generate somewhat less confidence than banks (47.5% trust or fully trust versus 55.2% of banks) it is a much higher percentage than the 32.6% of large technology companies. What is shown in the case of insurers is that there is less understanding about what use is made of the data as shown by the larger Do not know / did not respond number.



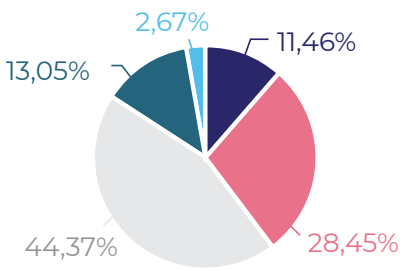
With regard to institutions, more trust the Tax Agency and the Social Security than do not trust. In the case of the Tax Agency, 56.7% declare that they trust or greatly trust, a percentage that rises to 66.1% with Social Security.

With respect to the Courts, 50.7% state they do not trust the Spanish Courts (20.3% do not trust and 30.4% do not trust, but consider it necessary), and only 40.2% trust (trust or fully trust). This data contrasts with the confidence in the European Courts which is much higher, attaining 55.4% (11.4% fully trust and 44% trust).

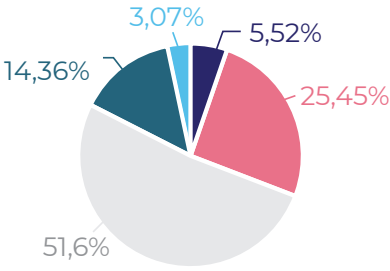
GAFA (GOOGLE, AMAZON, FACEBOOK, APPLE)



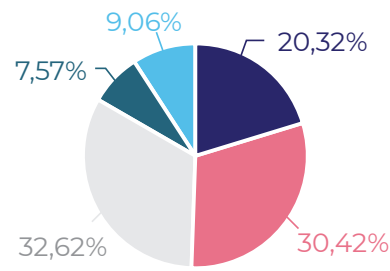
TAX OFFICE



SOCIAL SECURITY



SPANISH COURTS



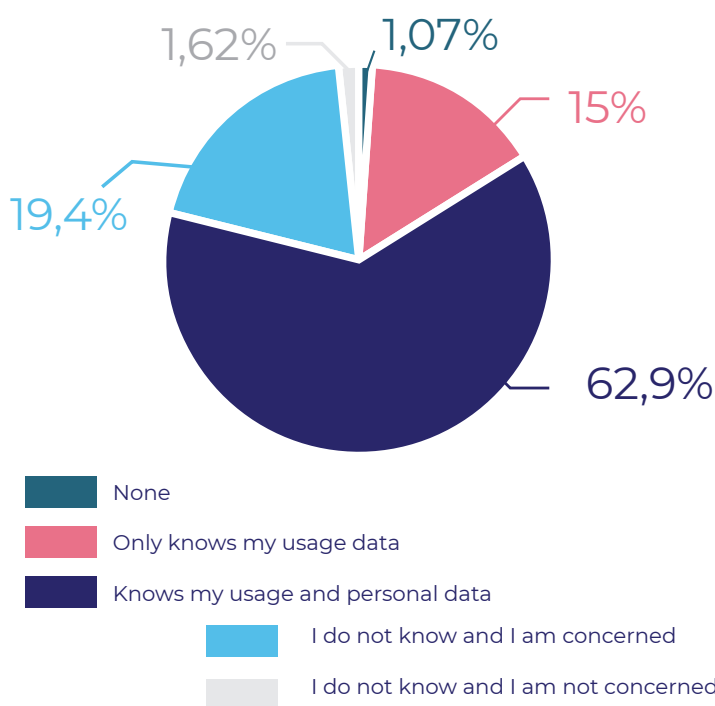
4. KNOWLEDGE REGARDING THE TRANSFER OF DATA

With respect to our understanding of the use and transfer of personal data, 62.9% state that the main technology companies (GAFA) know their usage and other personal data, and another 15% only the usage data. On the opposite side, only 1.6% say they are unaware of the use and are not worried about it, and another 19.4% who are unaware of it and are concerned.

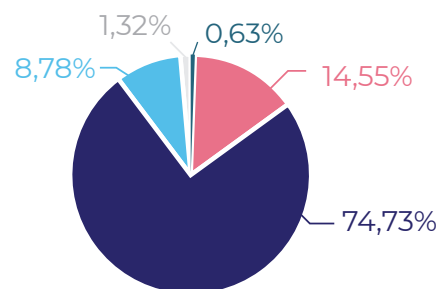
This data is again in contrast with what we think of our bank and insurer. For both of them there is an assumption that they know both usage and other personal data, even to a greater degree than technology companies, the big difference being that we have less distrust of these companies.

Thus, only 9.7 % of respondents state that they are unaware of what the insurer knows about usage data or personal information and are concerned, while 2.95% does not know and does not care. In banking, the percentage is even lower; 1.3% do not know and do not care, and only 8.8% say they do not know but are concerned.

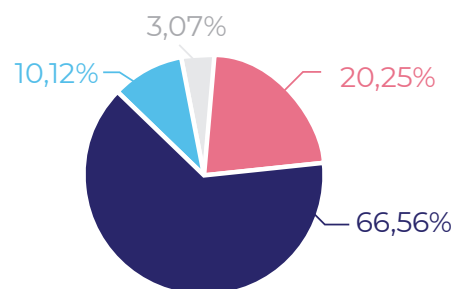
GAFA (GOOGLE, AMAZON, FACEBOOK, APPLE)



MY BANK



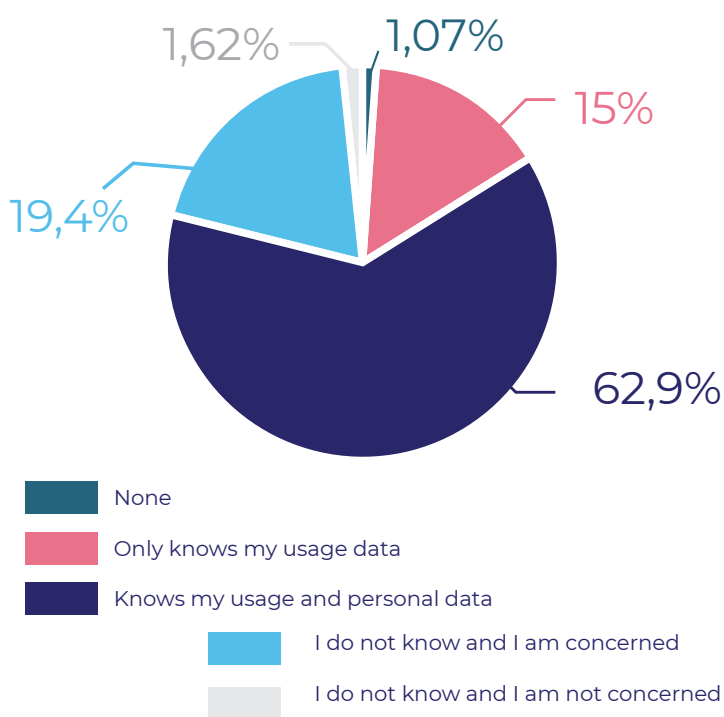
MY INSURANCE COMPANY



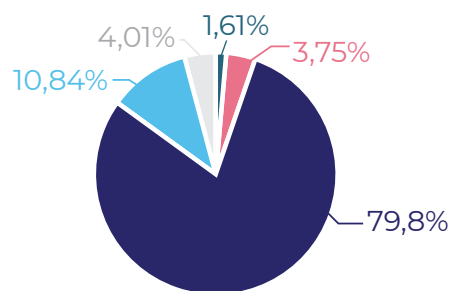
In general terms, these figures are similar with respect to the Social Security and the Tax Agency. 79.5% affirm that the Tax Agency knows usage and personal data, a percentage that is a little lower for the Social Security at 74.2%. But the most relevant statistic is again revealed in those who do not know. Only 10.8% say they do not know and are concerned, and another 4% do not know and do not care for the Tax Agency, and for Social Security these percentages are much lower: 4.8% say they do not know and do not care and only 7.5% do not know and state that they are concerned.

Spaniards understand and believe that banks, insurers and government bodies know and use their data better than technology companies.

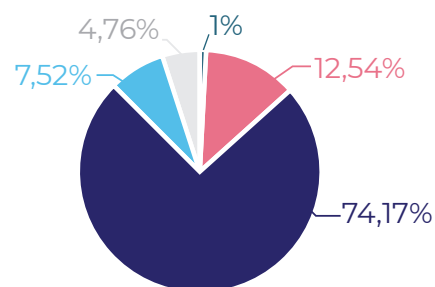
GAFSA (GOOGLE, AMAZON, FACEBOOK, APPLE)



TAX OFFICE



SOCIAL SECURITY

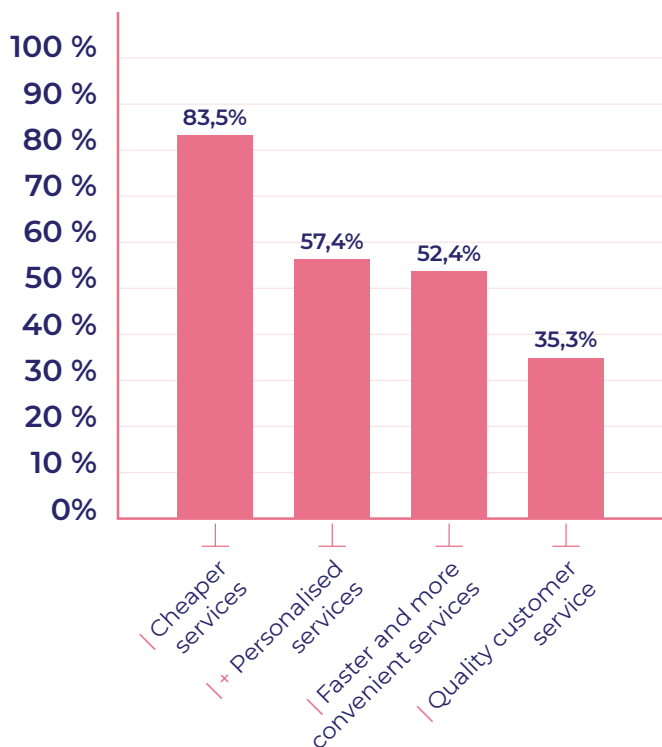
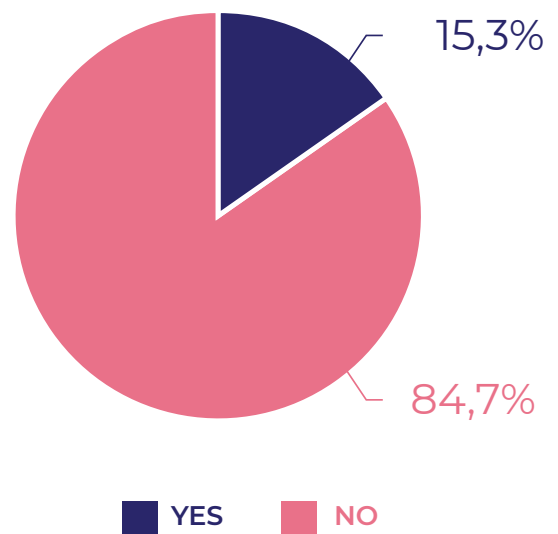


5. WOULD WE GIVE MORE DATA? WHY WOULD WE GIVE IT UP?

This greater suspicion is seen more clearly when the subjects are asked if they would transfer more personal data to technology companies, to which only 15.3% respond positively.

Among the reasons for giving up their privacy, 83.5% cite the possibility of obtaining cheaper services. The two following reasons, while not referring directly to price, do so indirectly with more personalised as well as faster and more convenient services, with 57.4% and 52.4% respectively.

The final reason is to obtain quality customer service, an option only highlighted by 35.3% of respondents.



METHODOLOGY

The sample under investigation consisted of 1,594 interviews using an online and telephone questionnaire conducted on adults (over 18) with a geographical area constituting the entire Spanish territory. The temporal scope or period of study was the 11th to 30th November 2019, and this sample weighted both the populations of each region and age group to obtain representative results for the entire sample.

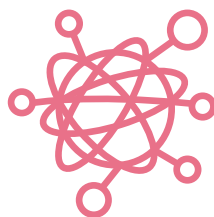
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¿QUÉ ES ASUFINTECH?

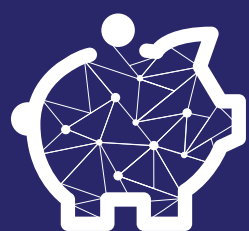
In a complex and rapidly changing scenario, ASUFIN launches AsufinTech, a financial and technological education project to empower the consumer against possible financial and digital abuse.

Every day, financial institutions, banking or others, take advantage of technology to reach millions of consumers: instant loans, financial management, mobile payments, savings, etc. The user experience is fast and simple, everything seems advantageous to the consumer.

However, the rapid growth and innovation of Fintech can come with financial practices known to harm consumers, such as user loans, over-indebtedness, privacy violations, misuse of consumer data and restrictive terms, including forced arbitration.



Learn more about our project in
www.asufin.tech



asufintech

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