

The Fintech Effect

Consumers in the driver's seat

With trust in fintech at an all-time high, consumer expectations are rising—and steering the industry to deliver faster, safer, more seamless experiences.

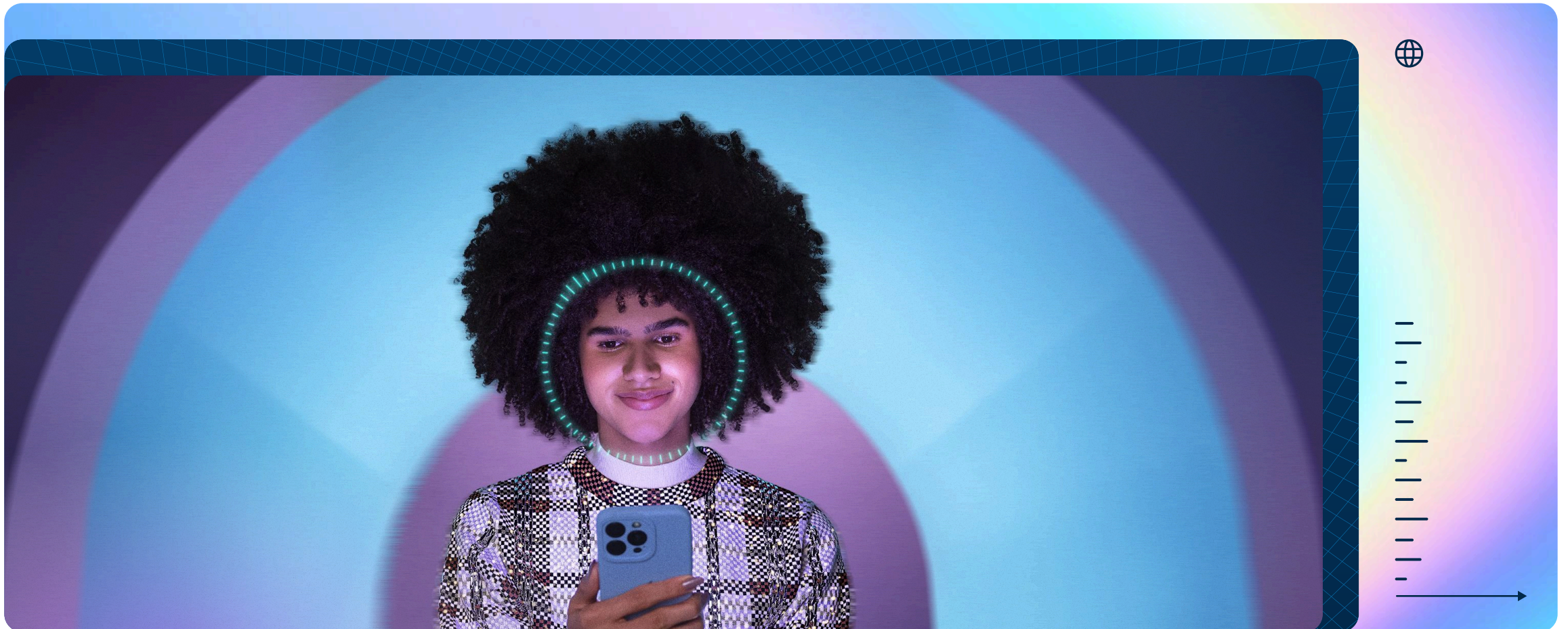


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A word from Plaid

Plaid sits at the intersection of people and the financial services they rely on every day. In 2020, we surveyed consumers for our first Fintech Effect report, examining how they view and interact with financial technology. Five years on, our research reveals a clear throughline: the more consumers use digital tools to manage their finances, the more control, confidence, and opportunity they feel. What once felt like a “new” way to manage money has become the default—and increasingly, consumers are steering fintech’s next chapter.

This year’s data shows just how far we’ve come. Comfort with opening a fintech account now rivals that of opening an account at a credit union or big bank. That comfort didn’t just happen; it was earned by building trust—day by day, product by product. But with trust comes a rise in expectations: behind every tap and login, consumers are seeking more. More clarity, more responsiveness, more intelligence, more ease.

This report peels back the layers of those rising expectations. What emerges is a nuanced view of consumer behavior and sentiment, and how data sharing, payment preferences, credit confidence, and AI attitudes are evolving in tandem.

Read on to better understand these growing expectations—and how you can meet consumers where they are.

Methodology

This survey was conducted online by The Harris Poll on behalf of Plaid from April 22 to May 5, 2025, among 2,001 adults in the United States. The results were analyzed by age, gender, region, urbanicity, ethnicity, income, assets, employment, marital, and parental status.

The data have been weighted to the population of the U.S. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated.

In February 2025, we also held 5-day digital diaries with 30-minute follow up interviews among 15 adult American consumers. The participants represented a mix of genders, ages, ethnicities, incomes, and fintech literacy, among other factors.

Executive summary

Financial confidence under pressure

- 61% of consumers say fintech is helping them weather economic challenges.
- 75% of consumers feel confident about their money thanks to fintech.

From financial tool to financial co-pilot

- 88% of fintech users say fintech has helped them in a concrete way.
- 81% of consumers are actively looking for financial education.

The trust and experience mandate

- 70% of consumers feel comfortable sharing their data with the digital tools they use.
- 62% welcome apps remembering their identity if it accelerates sign-in.

From credit confusion to credit confidence

- 47% of consumers say the typical loan application process is too confusing.
- Only 20% of consumers currently use fintech lending apps.

Alternative payment methods are becoming the norm

- 80% of consumers see the benefits of pay-by-bank.
- 54% report using it more over the past year to pay for things, instead of cards.

Open banking is a consumer expectation

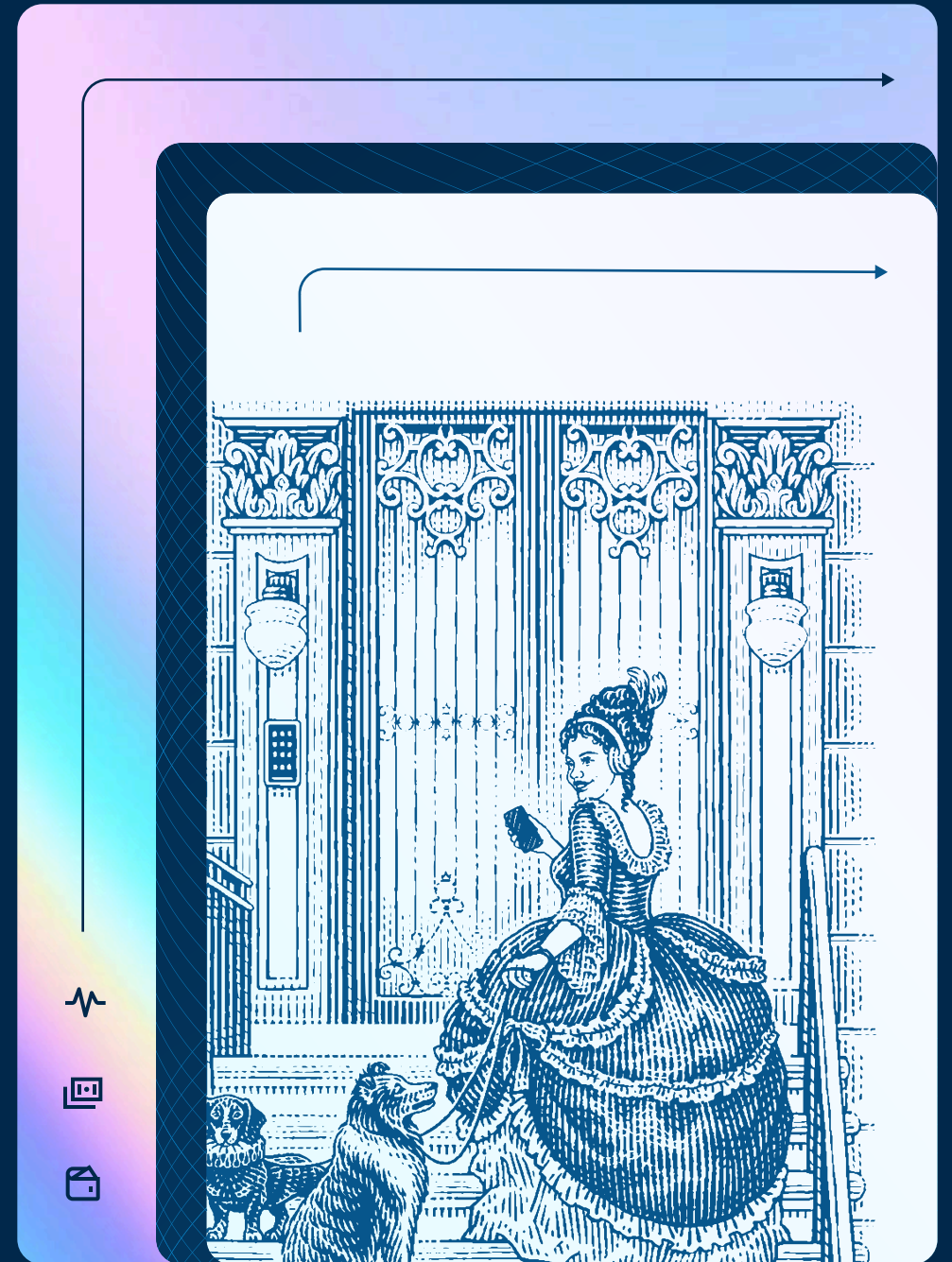
- 77% of consumers insist their bank be able to connect to their apps of choice.
- 66% would consider switching banks if that connectivity weren't possible.

Consumers expect big things from AI

- 57% of consumers now expect their fintech apps to use AI.
- 73% want human guardrails and clarity on how models work.

Financial confidence under pressure

Amid ongoing economic volatility, consumers are relying on fintech for financial strength and stability.



61%

of consumers report that economic factors are making them more reliant on digital financial tools to manage their finances.

A CLOSER LOOK

Economic headwinds are personal—and persistent.

Consumer anxiety is far from abstract: 68% worry broadly about the economy, while 76% feel their paycheck no longer stretches as far as it did a year ago. Those fears go hand-in-hand with the labor market: 68% are nervous about job prospects, up 11 points over the past two years.

Households are taking decisive, multi-pronged action.

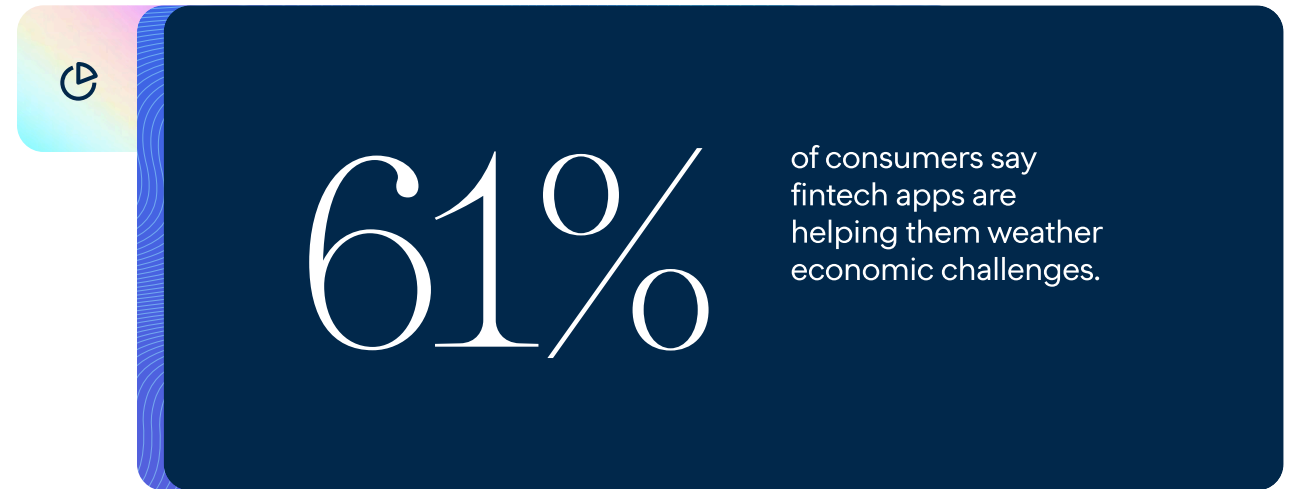
A remarkable 85% of consumers have taken conscious action to manage their finances because of the economy. Common tactics include cutting back on discretionary spending (43%) and finding new income streams (33%). Gen Z stands out in this regard: 47% have taken on “side hustles,” reflecting both an elevated need and a digital-native willingness to monetize skills quickly.

Actions taken, past 6 months



Fintech fuels rising “money confidence” in spite of macro strain.

Even with perception of the wider economy uncertain, personal financial confidence is climbing: 75% of consumers rate their money relationship positively, up six points since 2023. Sixty-nine percent credit technology for creating that sense of control, and 61% say fintech apps specifically are helping them weather economic challenges.



Fintech has become a veritable financial partner.

In a climate where inflation remains elevated, wages struggle to keep pace, and job security feels fragile, consumers are looking for more than just budgeting apps—they're searching for tools that offer real, tangible control over their financial lives. Fintech is answering that call.

From tracking cash flow to finding the best high-yield savings account, fintech platforms are helping millions close the gap between paychecks and expenses. That role has become especially critical as household budgets tighten. Moreover, the link between fintech usage and financial confidence proves fintech is not only helping users survive the moment, but orienting them toward smarter financial habits, as well.

Fintech companies have two opportunities to meet this consumer moment:

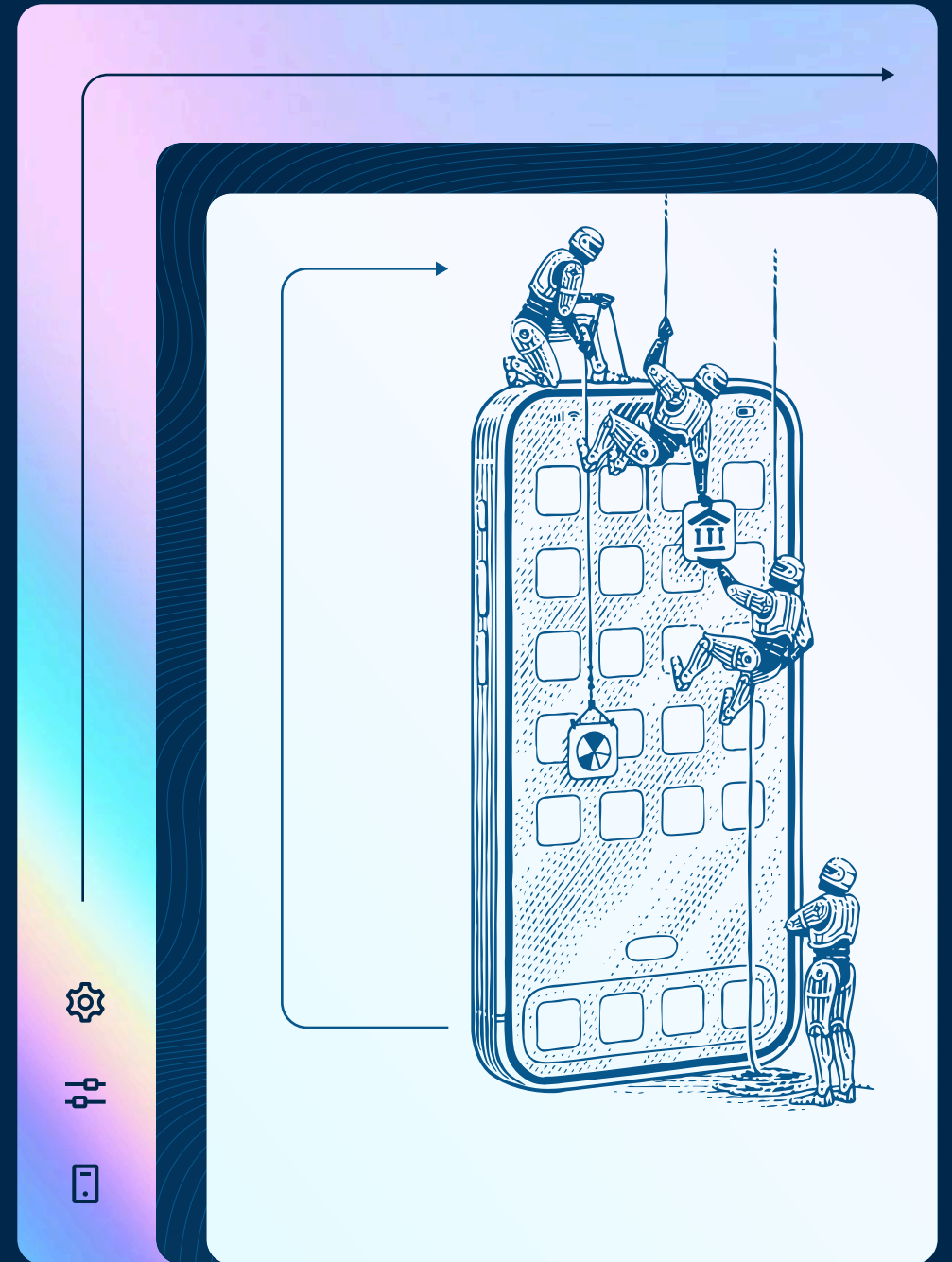
- Design for now by offering tools that directly alleviate pain points like income volatility and inflation fatigue.
- Build for the future by helping consumers translate short-term wins—like saving \$100 on groceries—into long-term gains such as improved credit, investment growth, or retirement readiness.

Those who succeed will do more than earn downloads. They'll earn trust, loyalty, and a lasting place in consumers' financial lives.



From financial tool to financial co-pilot

Consumers are increasingly turning to fintech for tangible returns and in-app advice.



KEY FINDING

88%

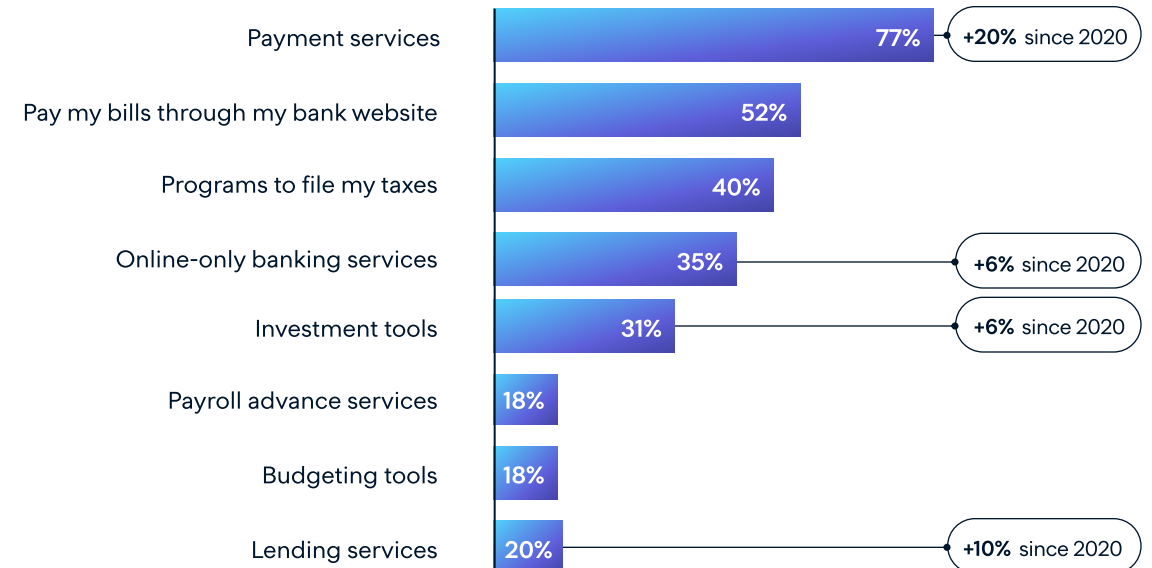
of fintech users report that using technology to manage money has helped them in a concrete way.

A CLOSER LOOK

Fintech adoption is deepening—and broadening.

Overall fintech app penetration hit 78%—up 20 points since 2020—and the share of consumers who expect to utilize six or more apps within six months rose to 19% (from 14% in 2020). Within these apps, payments remain the top use case, but wealth, credit, and payroll-advance tools have posted growth since 2020.

Top digital tools used to manage money



The payoff is clear and measurable.

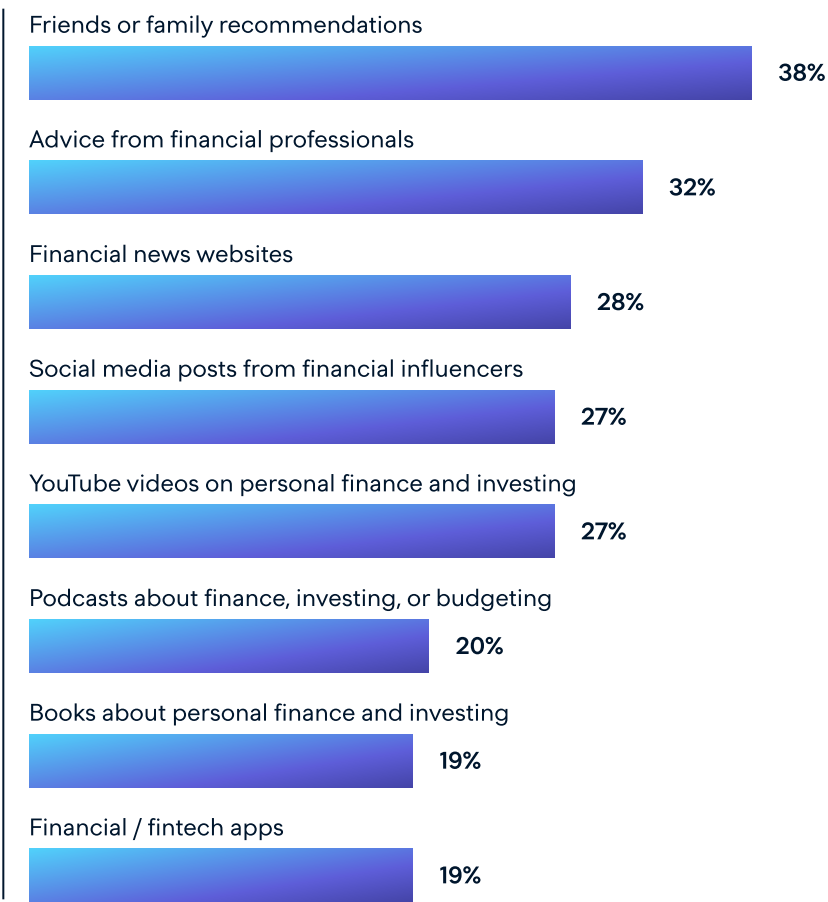
Why the surge? Users cite efforts to save time (55%), feel more knowledgeable (46%), and save money (43%). When it comes to concrete results, 33% attribute a bigger nest egg to fintech, a six-point lift over the past two years—and a meaningful figure considering nearly half of all Americans live paycheck to paycheck.¹

Opportunity awaits for in-app advice.

Given that 61% of consumers have never been more interested in learning about money—and 80% feel more motivated than ever to improve their financial acumen—it’s no wonder that four in five Americans (81%) are actively looking for financial education. Nonetheless, only 19% get that education from their apps. Hungry for in-app advice, their top requests include inflation-era education or strategies (71%) and accountability nudges (61%).

1. *Bank of America Institute, 2024.*

Sources for learning about finance and investing



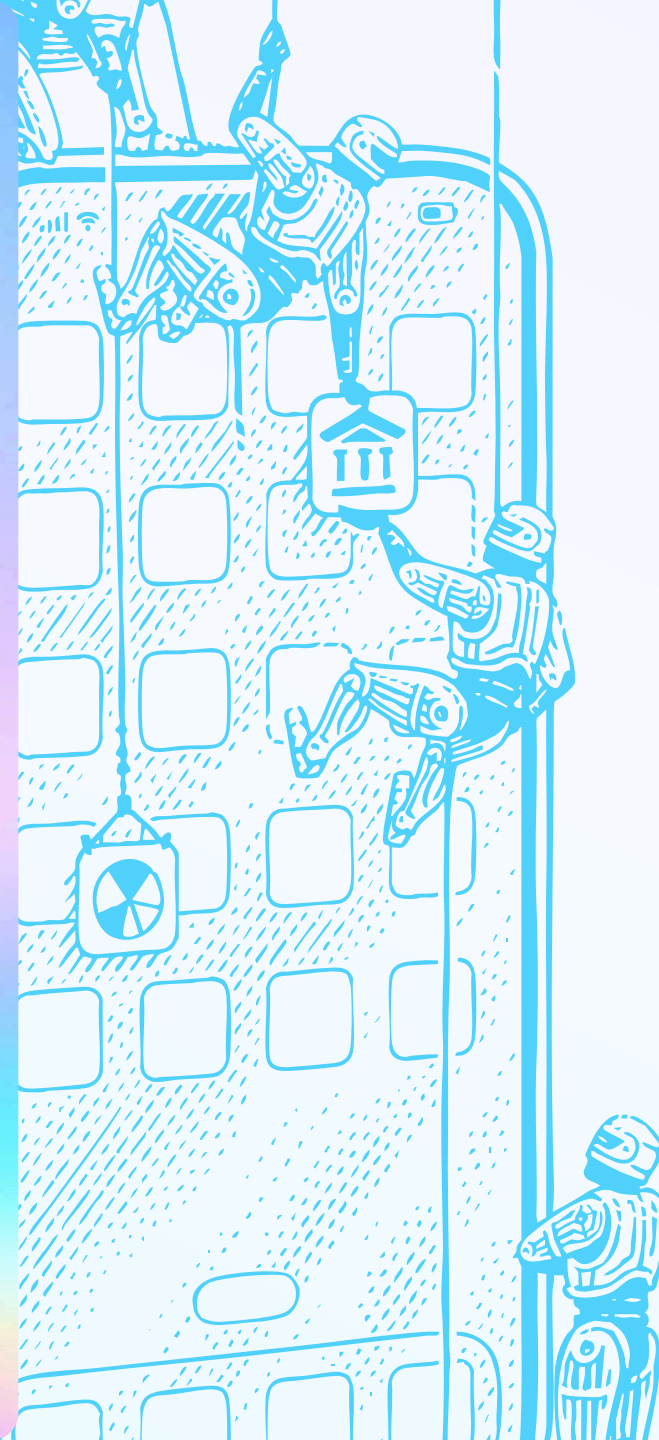
✓ THE BOTTOM LINE

If convenience is now table stakes, guidance is the differentiator.

In an ecosystem where nearly nine in ten fintech users report tangible improvements in their financial lives, consumers are now hungry for more—more guidance for even better outcomes. The opportunity ahead lies in transforming passive dashboards into active financial allies.

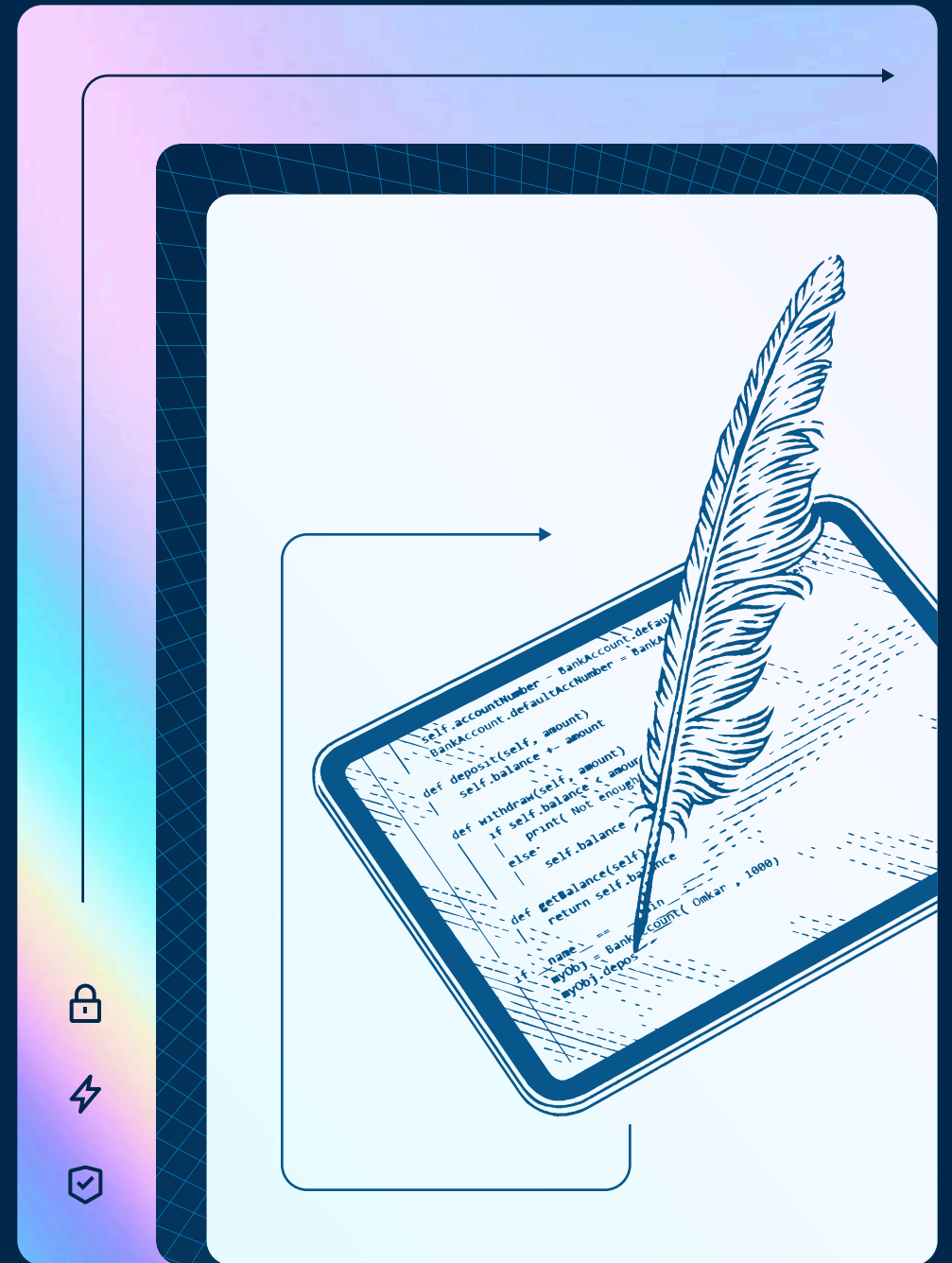
Consumer demand makes the case clear: more than 80% of Americans are actively seeking financial education, yet only one in five are getting it from the very apps they trust with their money. That's a disconnect—and a strategic opening to turn permissioned data into personalized guidance embedded directly into the user experience. Think “pay-yourself-first” automations, dynamic budgeting that flexes with inflation, gamified savings goals, or benchmark analyses to help users understand how they're doing compared to their peers.

The fintechs that do so won't just retain users, they'll earn trust, loyalty, and long-term relevance.



The trust and experience mandate

Consumers are comfortable sharing their financial data and opting into fast, seamless experiences, but that comfort is driven by security measures, reputation, and transparency.



💡 KEY FINDING

70%

of consumers feel comfortable sharing their financial data with the digital tools they use—rising to 77% amongst Millennials.

A CLOSER LOOK

Onboarding comfort reaches near-parity with banks.

Consumer comfort with opening a fintech account has reached an all-time high, at 84%—up five points from 2023 and only just behind that of opening an account with big (86%) or community (87%) banks.



84%

of consumers are comfortable opening a fintech account.

There's a growing expectation for both speed and safety.

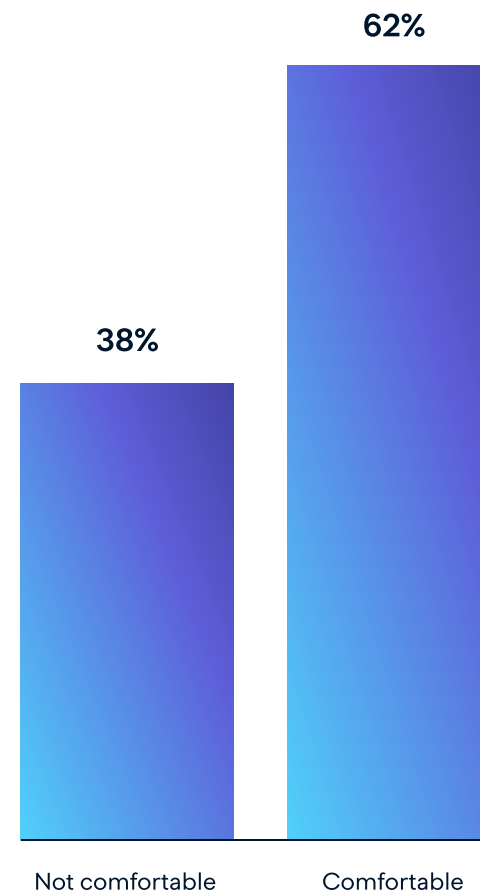
Sixty-two percent of consumers welcome apps remembering their identity if it accelerates sign-in, and 72% feel safer using a digital financial product when it requires identity verification, such as scanning a driver's license.



75%

Plaid's own data shows an even higher percentage of consumers opting in to remembered experiences in the last 12 months—around 75% on average.

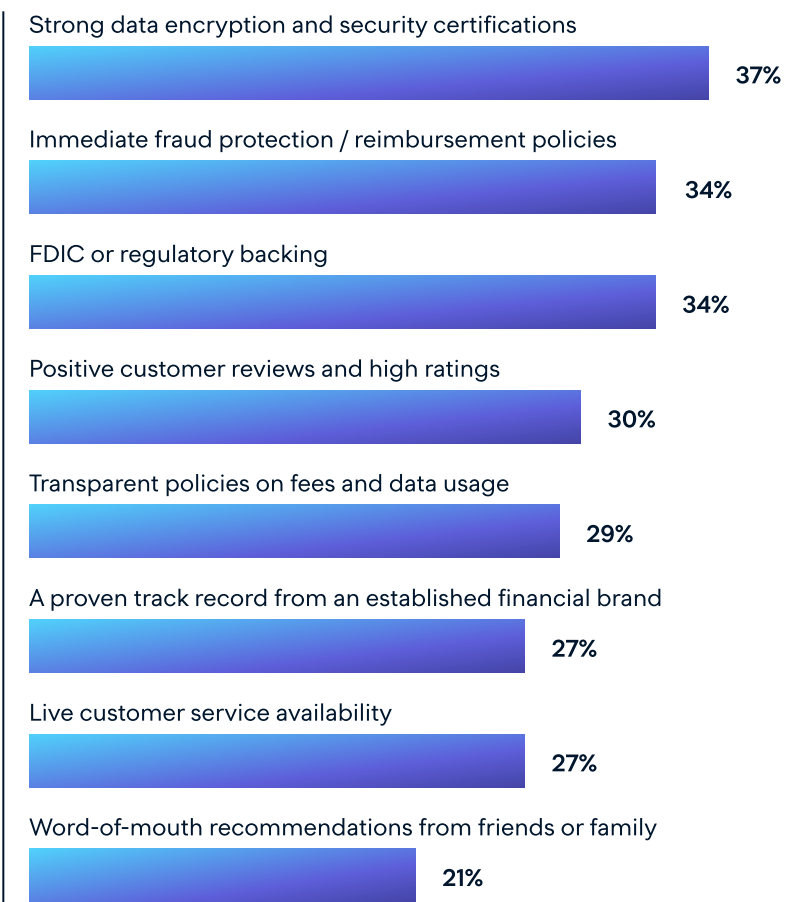
Comfort with apps remembering identity if it eases sign-in



Security, transparency and reputation can drive (or destroy) trust.

Trust in financial services is most strengthened by robust data encryption and security certifications (37%), immediate fraud reimbursement (34%), and FDIC or regulatory backing (34%). Transparency expectations, meanwhile, are near-universal: over eight in ten consumers want instant breach notifications from their financial service providers, transparency on personal data usage, and aggressive steps to combat fraud. Likewise, 81% of consumers will not download an app if they've read multiple online complaints about it.

Main factors that increase trust in fintech / financial services



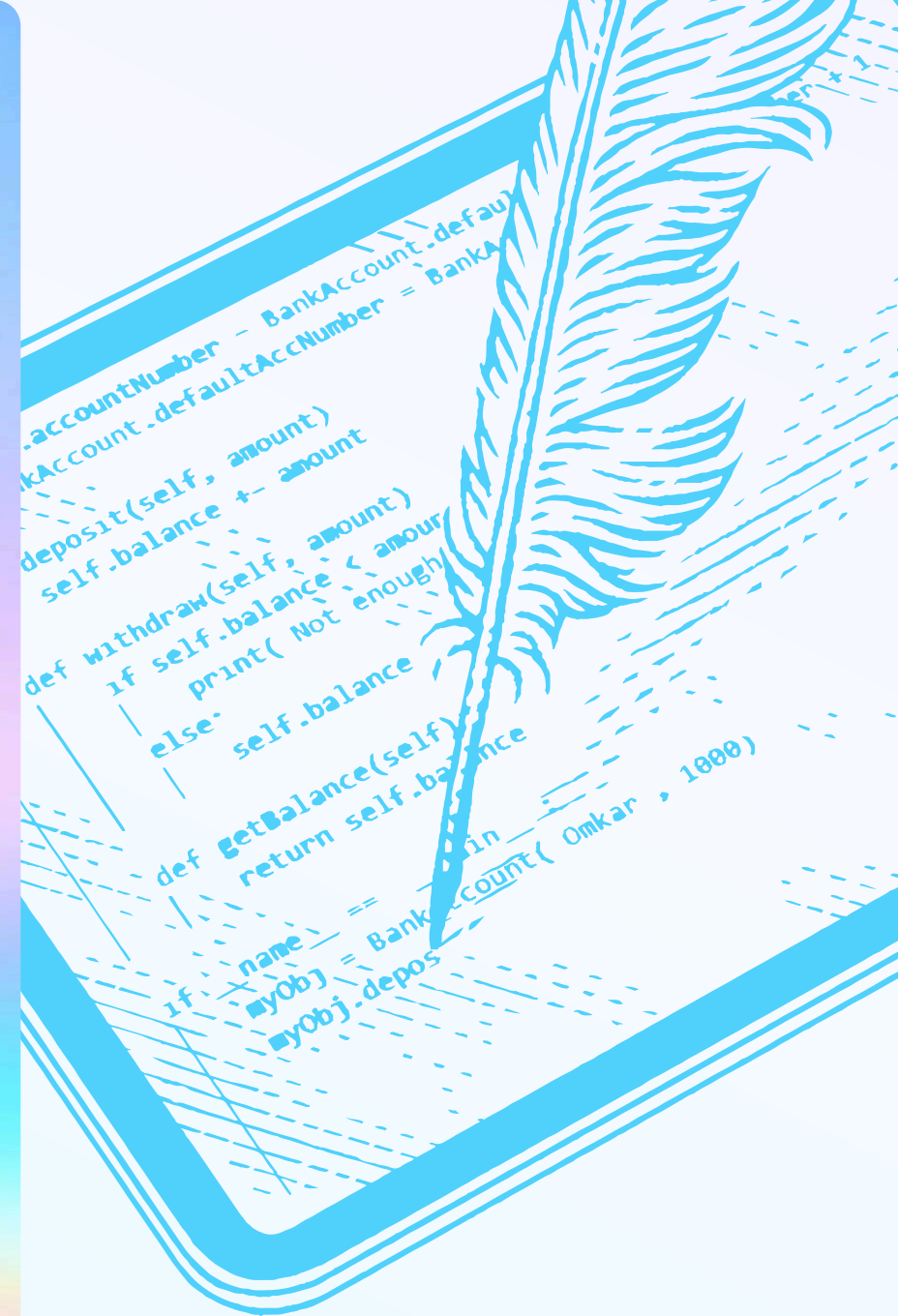
✓ THE BOTTOM LINE

Trust accumulates—or erodes—one experience at a time.

Today's consumers expect more than encryption and security certifications; they want proactive communication, real-world protections, and control over their data. At the same time, they expect fast, seamless onboarding experiences—ones that remember who they are, minimize friction, and mirror the ease of the digital platforms they use daily.

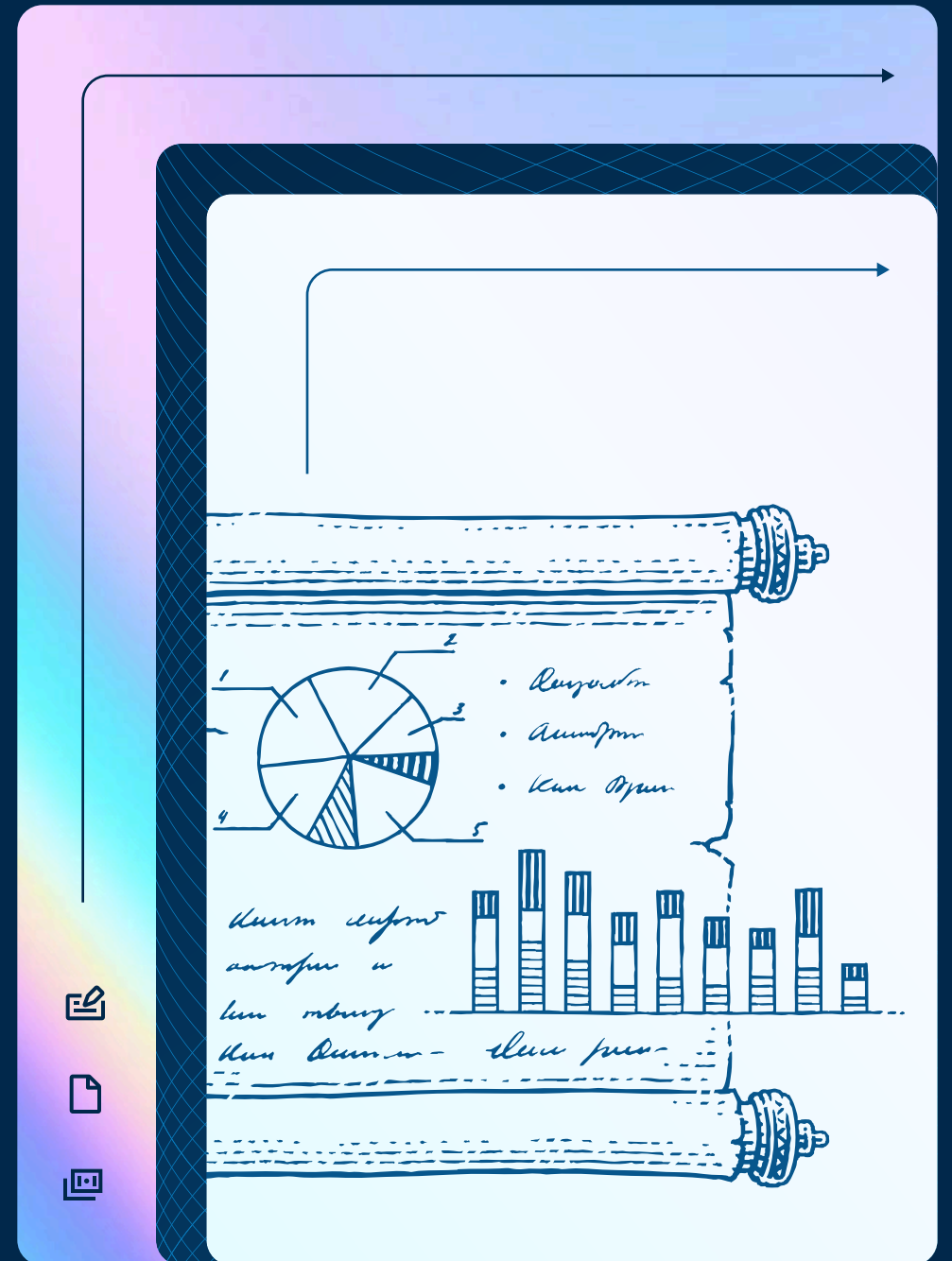
Our research shows that trust in digital platforms is increasingly earned through ongoing signals of safety and transparency. While consumers may be more willing than ever to open fintech accounts, they also move quickly when trust is breached. That makes real-time fraud detection, clear data permissions, and user-centric design non-negotiables.

At the same time, every touchpoint matters. The use of both meaningful friction when onboarding and seamless experiences where possible strikes a delicate balance between security and speed—winning over customers from the moment they sign in.



From credit confusion to credit confidence

Consumers are ready for a new lending model based on transparency, real-time data, and personalized insights.



47%

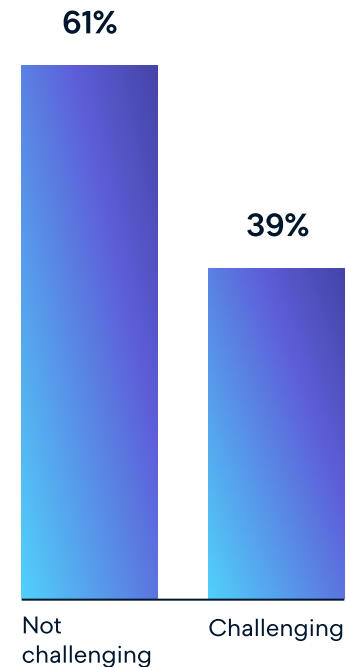
of consumers say the loan application process is too confusing.

A CLOSER LOOK

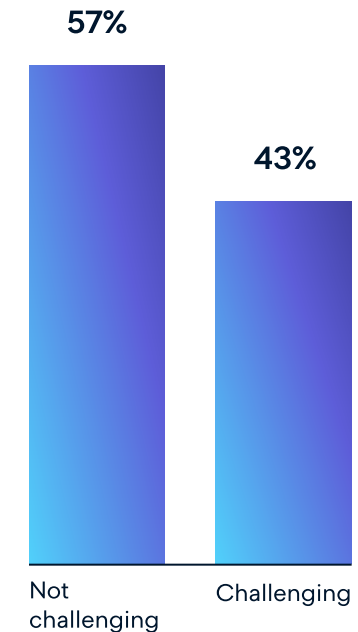
Traditional lending still feels like a maze.

Nearly half of all consumers (47%) say the loan application process is too confusing—and 39% find simply applying for a loan challenging. Qualifying is even tougher: 43% say they struggle to meet requirements.

Perceived difficulty of successfully completing a loan application



Perceived difficulty of qualifying for a loan





Frustration creates demand for a better way.

Consumers are increasingly questioning one-size-fits-all credit models. Whether they're gig workers with irregular income or younger borrowers without a long credit history, many feel penalized by traditional systems. In our survey of recent loan applicants, as many as 84% of respondents were comfortable sharing financial information with lenders—a sign that transparency and control can help build trust when the value is clear.

Fintech lenders are stepping into the gap.

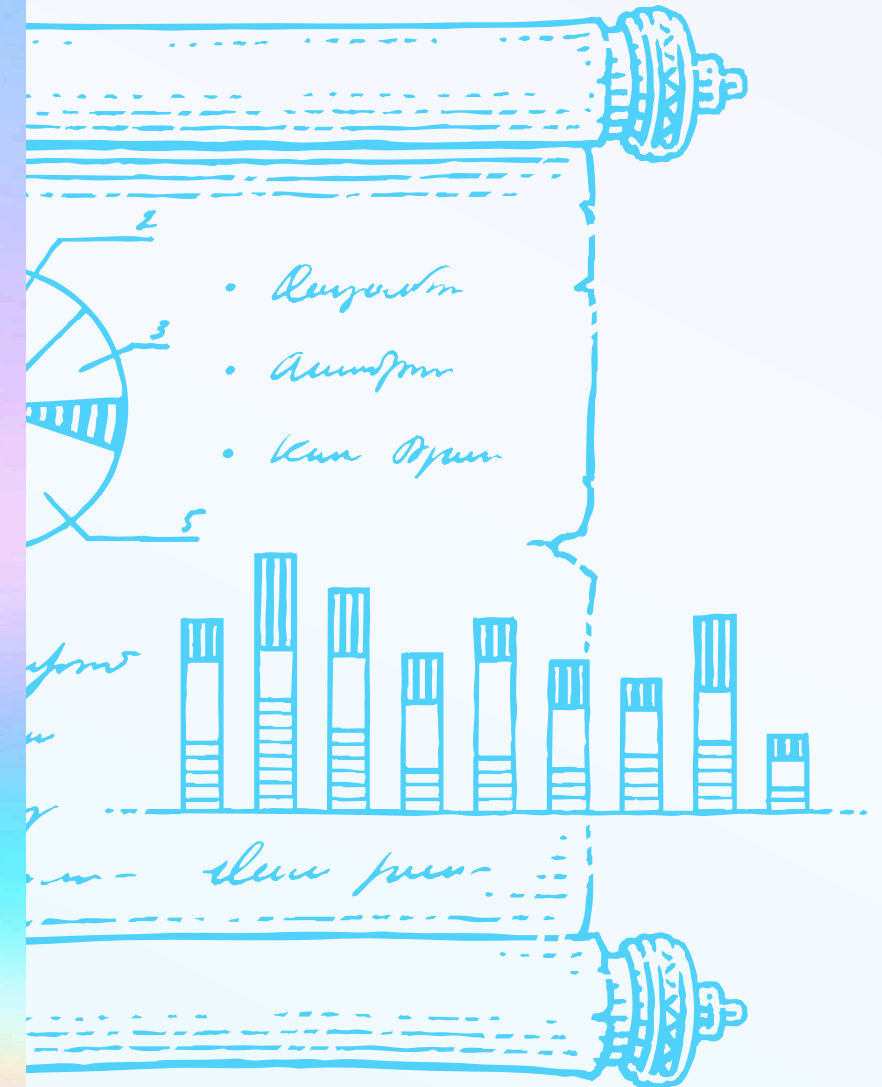
One in five consumers (20%) now use fintech lending apps—double the share from 2020. These platforms are increasingly offering smarter application flows, clearer qualification criteria, and real-time data integrations that make the experience less opaque and more empowering.

✓ THE BOTTOM LINE

Lending is getting smarter—and fairer—by enabling consumers to share their data directly.

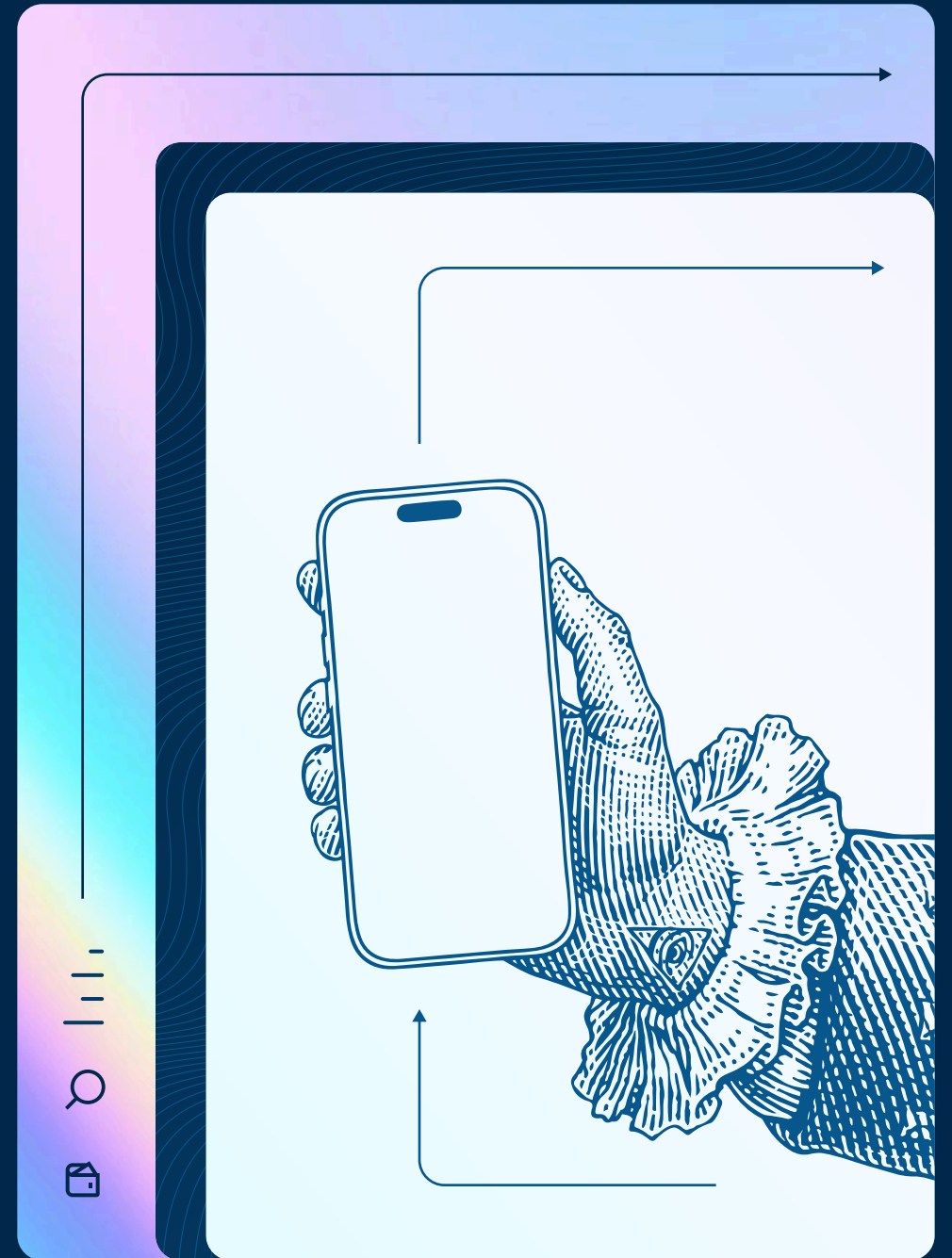
Traditional credit-scoring methods, which rely primarily on static, historical data, often fail to capture the true financial health of borrowers—particularly those in gig economies, younger demographics, or groups historically underserved by conventional lending systems.

By shifting toward a lending model that also includes real-time transaction data, fintech lenders are well-positioned to offer a more holistic, accurate assessment of creditworthiness. This model not only helps expand access to credit more broadly, but also improves efficiency through more automated decision processes and sharpens risk mitigation. The result is increased revenue and reduced losses—a win for borrower and lender alike.



Alternative payment methods are becoming the norm

Pay-by-bank, BNPL and crypto are reshaping checkout, credit, and investment behavior.



💡 KEY FINDING

80%

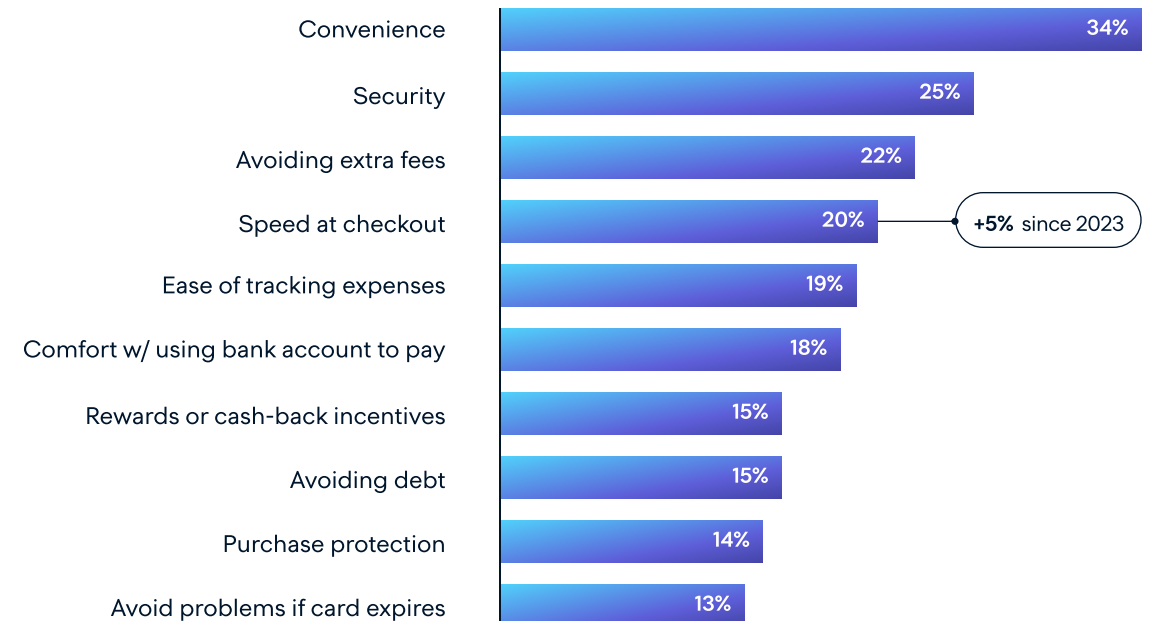
of consumers see the benefits of paying with their bank account.

A CLOSER LOOK

Pay-by-bank surges from frontier to frequent

Eight in ten consumers (80%) see value in using pay-by-bank, and 54% report using it more over the past year to pay for things, instead of cards. Among Gen Z, that share rises to 62%—with convenience (34%) and security (25%) the top drivers across the board.

Reasons consumers use pay-by-bank



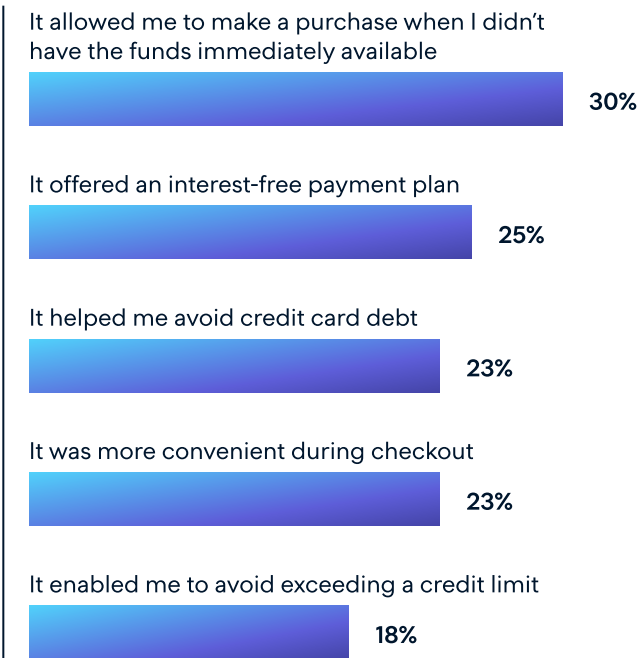
BNPL is now a core credit line, especially for younger users.

BNPL usage reached 58% overall—and an eye-popping 79% for Gen Z—over the past 12 months. Motivations go beyond wanting to buy today: nearly one-third (30%) used BNPL to bridge income gaps between paychecks, and 25% to avoid credit-card interest.

Crypto’s second wind signals cautious optimism.

Overall crypto ownership climbed to 34%, and to 43% and 45% among Millennials and Gen Z, respectively. At the same time, 37% of consumers plan to engage with crypto apps—up 7% since 2023. While skepticism endures—59% still doubt crypto is a sound investment—the directional shift matters.

Reasons consumers use BNPL, past 12 months



✓ THE BOTTOM LINE

“Alternative” no longer means niche; it means next.

Pay-by-bank, buy-now-pay-later (BNPL), and cryptocurrency have all moved decisively from the margins to the mainstream, especially among Millennials and Gen Z. This shift represents both a change in consumer preference and a deeper transformation in financial behavior, highlighting a growing desire for convenience, flexibility, and greater control over one’s finances.

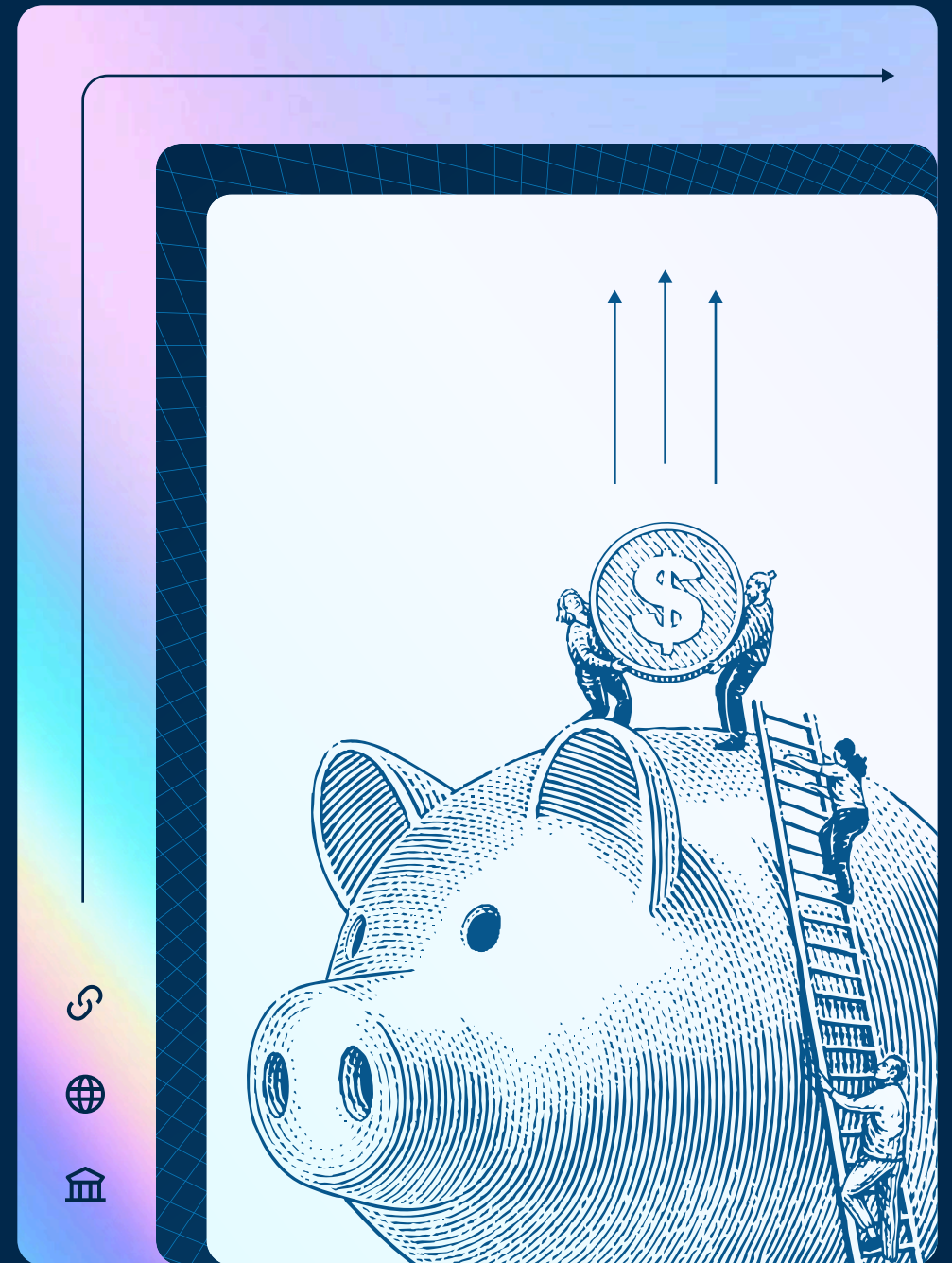
Indeed, the rapid adoption of alternative payment methods is increasingly driven by the demand for fast, secure, and frictionless transactions, particularly among younger consumers. Similarly, BNPL is no longer just a convenient option on big-ticket items; it’s become a financial tool for younger groups looking to manage cash flow more effectively for everyday purchases. And crypto—despite volatility and regulatory scrutiny—is experiencing renewed consumer interest across the board.

In this new financial reality, banks, fintechs, and merchants that strategically embed alternative payments, native BNPL solutions, and crypto investment options into their offerings will effectively capture the loyalty—and spending power—of increasingly powerful cohorts.



Open banking is a consumer expectation

Connectivity is non-negotiable for consumers, who are ready to shop around.



💡 KEY FINDING

77%

of consumers say their bank must be able to connect to the apps and services they want to use.

A CLOSER LOOK

Connectivity is a must have for consumers.

Seventy-two percent of Americans consider the ability to connect to apps and services a top priority when choosing a bank, with 66% saying they'd consider switching their primary institution altogether if it couldn't connect to their financial accounts. This emphasis on connectivity isn't just a matter of convenience, it's become a key factor in trust: the vast majority of Americans (71%) say they only trust banks that can easily and safely connect to fintech apps.



72%

of consumers say the ability to connect their bank account to the apps and services they want is a top priority—and nearly as many say they only trust banks that can easily and safely do so.

It works both ways.

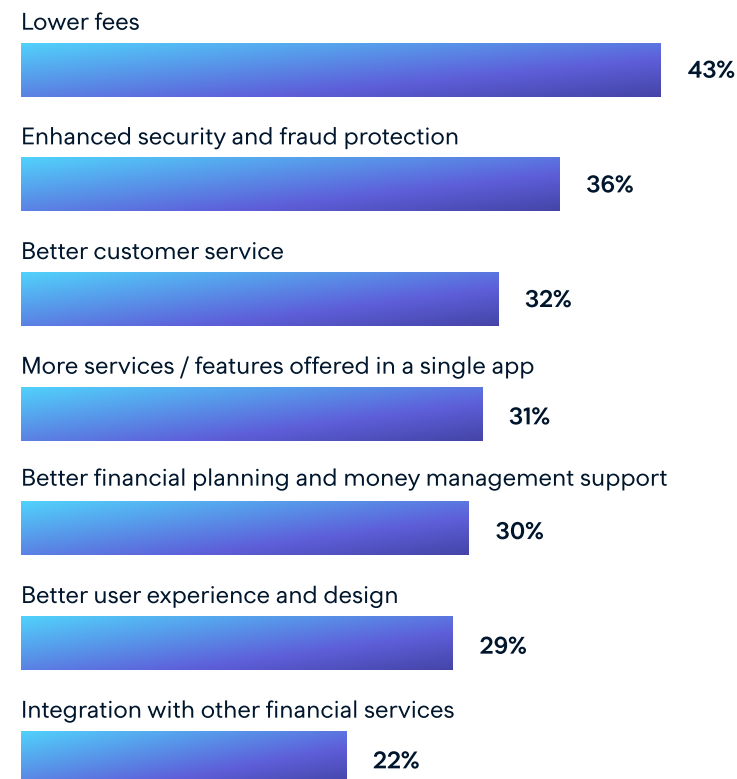
Ultimately, connectivity drives choice on both sides of the ledger. More than half of Americans (58%) have already abandoned a financial app because it couldn't sync with their bank. When data flows seamlessly, 76% feel more in control of their finances and 69% report making smarter decisions. It also drives loyalty—or a lack thereof. Consumers are increasingly willing to switch providers based on the quality of their digital experience. Chief motivators include lower fees (43%), stronger security (36%), and broader feature sets (31%).

72%

“I don't want to jump
between multiple apps
to manage my money.”



Main motivators for switching fintech apps



Open banking isn't optional infrastructure; it's essential.

Consumers see seamless connectivity as a proxy for trust, transparency, and financial control. This shift places mounting pressure on financial institutions to offer frictionless data portability—not to compete, but to remain relevant.

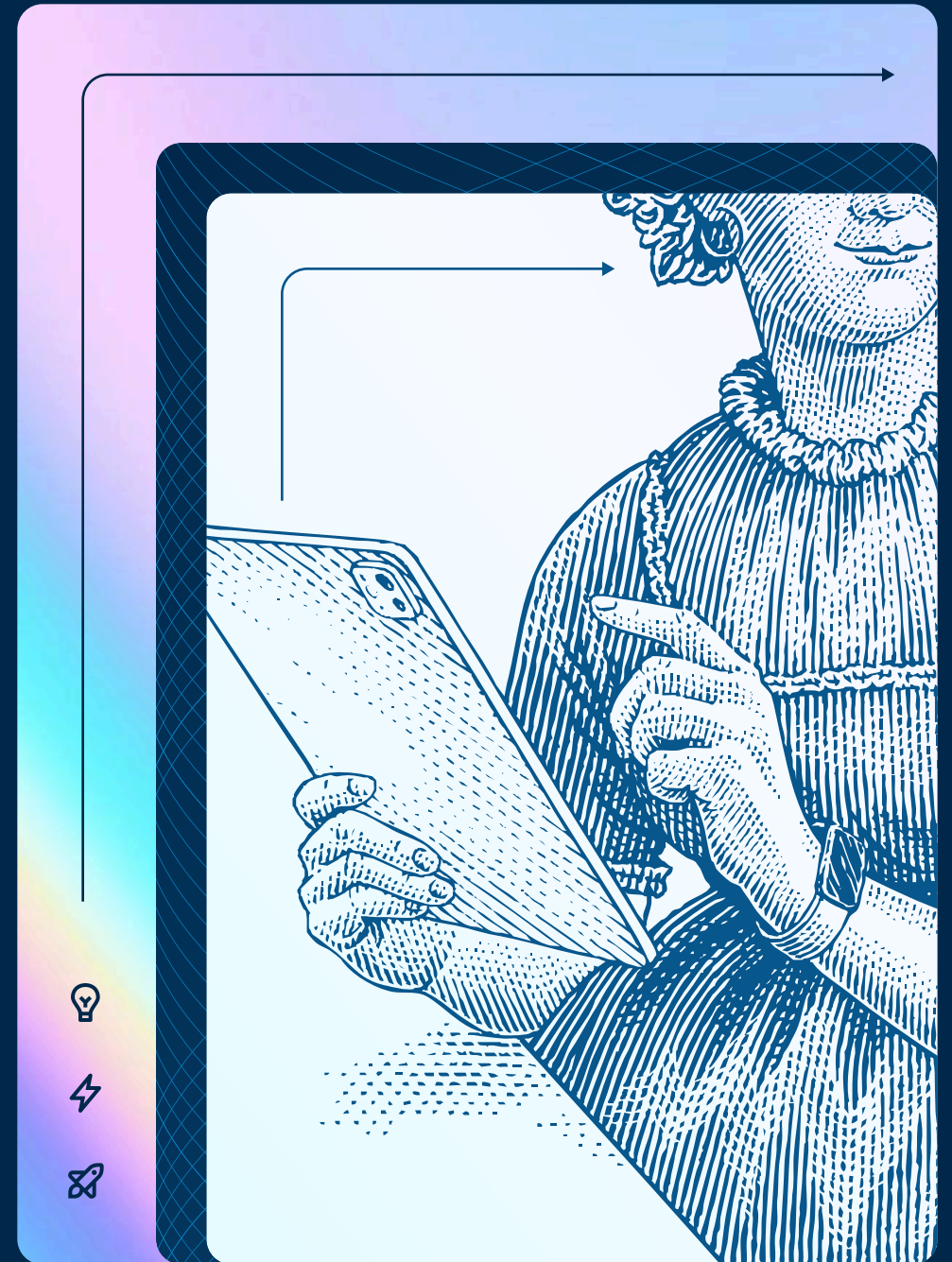
Given the table stakes, the real opportunity lies in what financial institutions do with this connectivity. Banks that embrace open APIs and invest in embedded finance capabilities can turn this infrastructure into a strategic differentiator, curating holistic money experiences that integrate payments, savings, credit, and financial wellness in a single place.

Failure to deliver high-fidelity data connectivity risks driving customers away—not just from apps, but from their primary banking relationships. And with consumers increasingly willing to churn in search of better value, trust, and digital experiences, the pressure to modernize is more urgent than ever.



Consumers expect big things from AI

From hesitation to enthusiasm, consumers now see AI as integral to better money management.



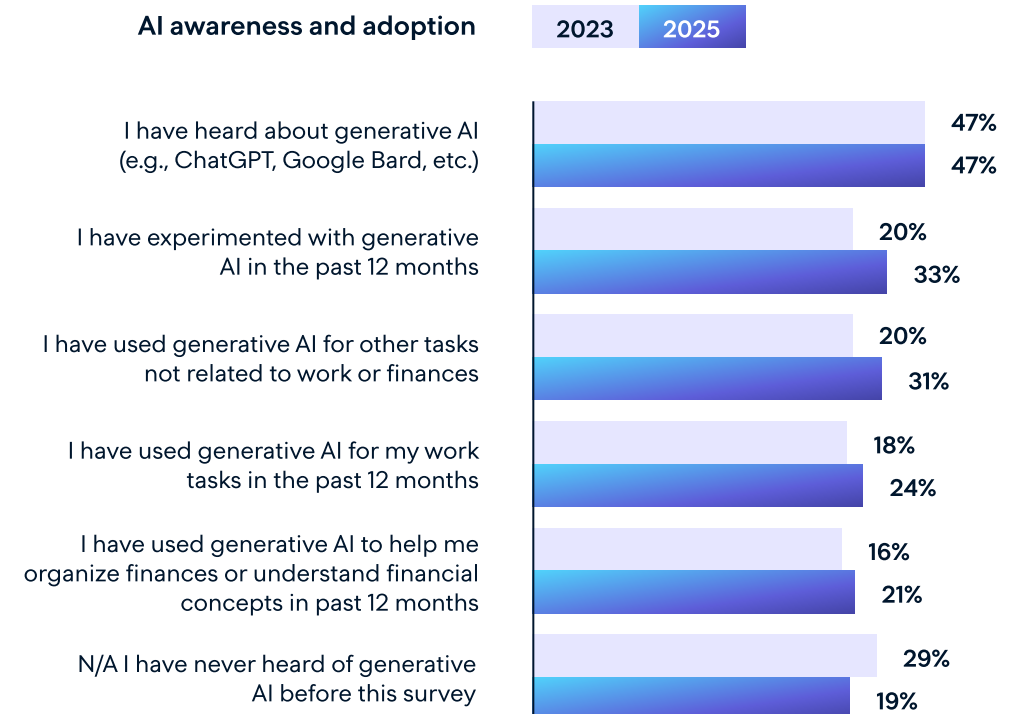
💡 KEY FINDING

57%
of consumers expect
fintech apps to use AI.

A CLOSER LOOK

Curiosity turns to excitement—turns to usage.

More than half (54%) of Americans are excited about AI-powered finance tools—up seven points from 2023. At the same time, one-third of Americans (33%) have experimented with generative AI in the last year, up from just 20% in 2023. Twenty-one percent already use AI specifically to help organize their personal finances.

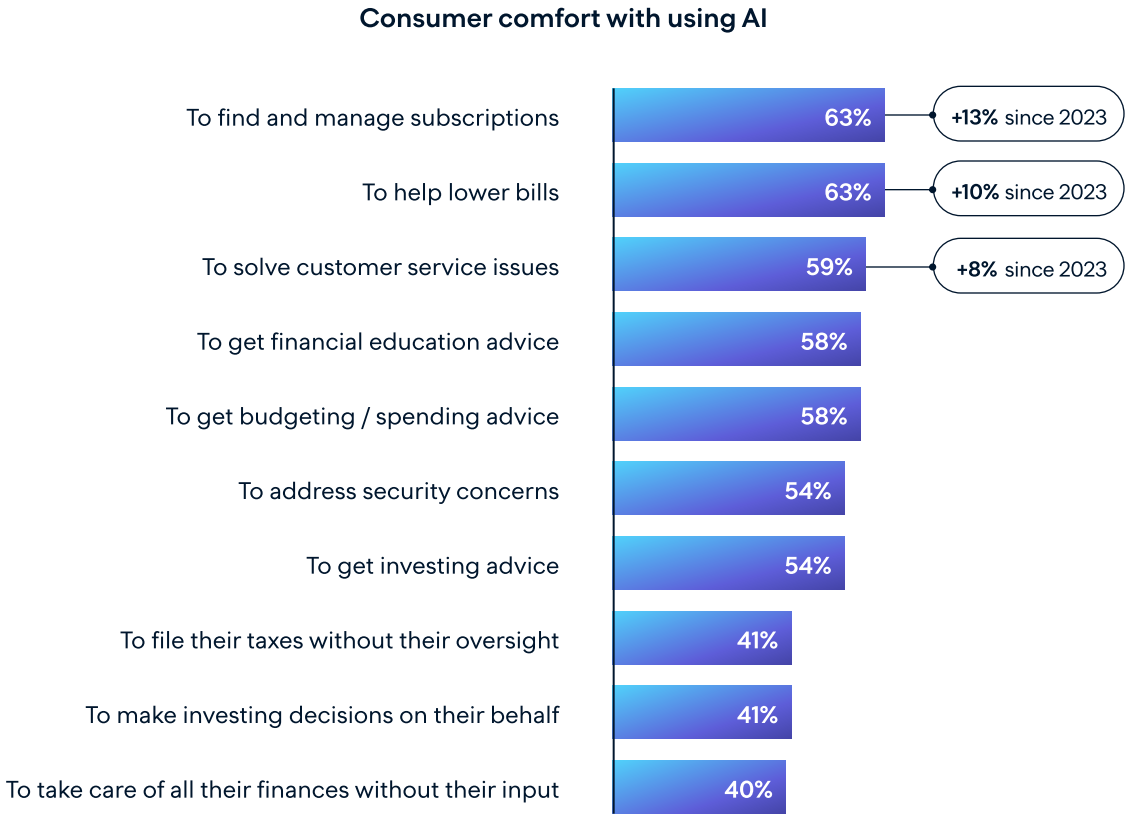


Comfort with AI has raced forward.

Indeed, 59% of Americans—and 70% of Millenials—say their comfort with AI has grown in the past 12 months. A vast majority of Americans are now comfortable using AI for a range of financial tasks, including finding and managing subscriptions (63%), getting help lowering bills (63%), or solving customer service issues (59%)—all up significantly from 2023.

Guardrails build trust.

Transparency on AI use (42%) and the presence of human approval for major financial actions (42%) are the top boosters of trust, followed closely by stronger fraud protection (40%) and explicit data guarantees (40%). Sixty-one percent of Americans trust an app more if it uses AI for fraud detection. At the same time, 73% would like to see the government pass laws to regulate it, suggesting Americans understand the powerful potential AI holds.



AI is shaping the next phase of finance.

What began as cautious experimentation has swiftly become expectation, with more than half of consumers now assuming their fintech apps feature AI under the hood. But the real story isn't just adoption—it's acceleration. Consumer excitement, comfort, and use of AI for everyday tasks have surged.

This shift reflects a larger behavioral change: people increasingly see artificial intelligence as essential for managing financial complexity. From detecting duplicate subscriptions to negotiating bills, AI can deliver tangible, immediate value. Yet trust is conditional and consumers want transparency, oversight, and control.

The next frontier? Apps that integrate AI into the core user experience in ways that feel personal, contextual, and safe. Think: real-time financial coaching, automated savings decisions, or dynamic budgeting insights—all explained in plain English and backed by visible security guarantees. Innovations that will only be as powerful as the data behind them: high-quality, real-time, and responsibly sourced.



From insight to action

The findings of this year's report are a reminder: as consumers evolve, so must the products they rely on. Winning apps and services won't just offer features; they'll build trust, deliver personalized guidance, and respond in real time to the way people live, earn, and spend—turning economic pressure into financial peace of mind.

For company leaders, this is an opportunity to weave trust, intelligence, and ease into every interaction, for experiences that feel both intuitive and personal. Think: income-smoothing savings, AI-powered budgets that adjust when income dips, or straightforward lending journeys using live bank data. Imagine: checkouts powered by instant, secure bank payments or humanized AI that offers clear recommendations, flags fraud, and explains financial insights with transparency and care.

It's a vision that lives squarely in the user journey—one that moves products from utility to trusted partner, designed to help people not just manage their money, but thrive.

How Plaid can help

Plaid powers many of today's most trusted fintech experiences. Our network connects millions of people every day to thousands of apps and services, helping them access credit, manage cash flow, prevent fraud, and move money safely and instantly. From startups launching their first product to global institutions modernizing their infrastructure, companies rely on Plaid to build faster, more personalized, and more secure financial journeys. As the financial landscape grows more complex, Plaid analyzes trends and innovates in turn—keeping things simple for the companies building the future, and the people they serve.

Get started at plaid.com

