

IV STUDY ON KNOWLEDGE, HABITS AND USE OF FINTECH IN SPAIN



October 2022

A study carried out within the framework of the 2022 Financial and Digital Education program



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About **ASUFIN**

ASUFIN is an association dedicated to the defense of financial consumers, founded in 2009. It is part of the **BEUC** (Bureau Européen des Unions de Consommateurs), the largest European organisation of consumer associations. Its president, Patricia Suárez, also represents consumers on the Advisory Board of BSG of the **EBA** (European Banking Authority), is part of the Investor Protection Committee (**IPISC**) of the **ESMA** (European Securities and Markets Authority) and is a member of the Financial Services Users Group (FSUG) of the European Commission's DG FISMA. In addition, she is a member of the Board of Directors of **Finance Watch**.

ASUFIN actively participates in the development of the digital economy as a partner of the **Alastria** network, and is part of the Finance for All program coordinated by the **Bank of Spain** and the **CNMV**.

The association develops educational programs, among other things, on finance and digital supports, over-indebtedness, responsible lending, housing, insurance, investment and sustainable finance, within the framework of the 2030 Agenda. For all these reasons, the **Bank of Spain** and the **CNMV** have awarded **ASUFIN**, within the framework of the Finance for All program, of which the association is part, the 2021 Financial Education Achievements Award.

About **the author**

Study carried out by **ASUFIN**'s Studies Department, in collaboration with Antonio Luis Gallardo Sánchez-Toledo. A graduate in Business Administration and Management from the Autonomous University of Madrid, specializing in Financial Management and Economic Research. After having worked in the securities company La Caixa (now CaixaBank) and in the Santander Group, he has been working for more than 18 years in the field of consumer protection and financial education, carrying out educational programs that includes the preparation of studies in the field of personal finance and insurance.

Introduction

The acceleration of digitalisation in finance is a reality marked, in particular, by changes in the structure of the financial system, which has led to a reduction in the classic commercial network, shifting customer service to digital channels. This trend is growing and therefore financial institutions are striving to play an important role in digitisation, but competition is growing against them.

Small Fintech operators and large companies, which control a huge flow of data, continue to seek an opening in a Spanish financial and insurance market excessively overcrowded by traditional entities. It is not an easy task, but in the current environment, marked by a rise in financial costs and in which price and savings are gaining importance, opportunities arise.

These opportunities focus on how the consumer reacts. Therefore, in this study, we place special emphasis on how digitization is perceived within different areas, from its knowledge and attitude towards the transfer of data, something increasingly valuable, to the use of new alternatives, such as investing in cryptocurrencies.

On the other hand, this study, which is already the fourth edition on Fintech, is marked by the impact of COVID-19 and a greater use of digital alternatives.

To do this, 1,509 consumers, of legal age, were consulted between September 5 and September 23, 2022 (confidence level of 95.00% and a margin of error of $\pm 2.17\%$).

Five principales conclusiones

1

The use of Fintech services to contract financing, is on the rise, especially cards and small loans, which goes from 16.50% to 22.70%, 6.20% more; as well as the use of comparison engines to look for the best conditions for products and services, which rises, in one year, from 34.50% to 40.50%.

2

The generation gap is also widening. The 26-35 year-old segment uses Fintech services intensively, at 33.70%, which decreases to 22.50%, in the next age group, from 36 to 45 years. Then jumping to the 56-65 year old range, the percentage of use decreases to 5.00%.

3

The bank is still the main channel to operate digitally, concentrating 97.00% of the operations, with no significant variation compared to 2021. However, operations through Fintech companies have grown in just one year, from 16.50% to 21.10%.

4

71.60% of Spaniards do not trust technology companies 17.00% more than the 54.60% of those who do not trust banks. **Although they are aware of the transfer of data**, 94.00% would be willing to give up their data in greater quantity in order to have services that give them greater economic benefits.

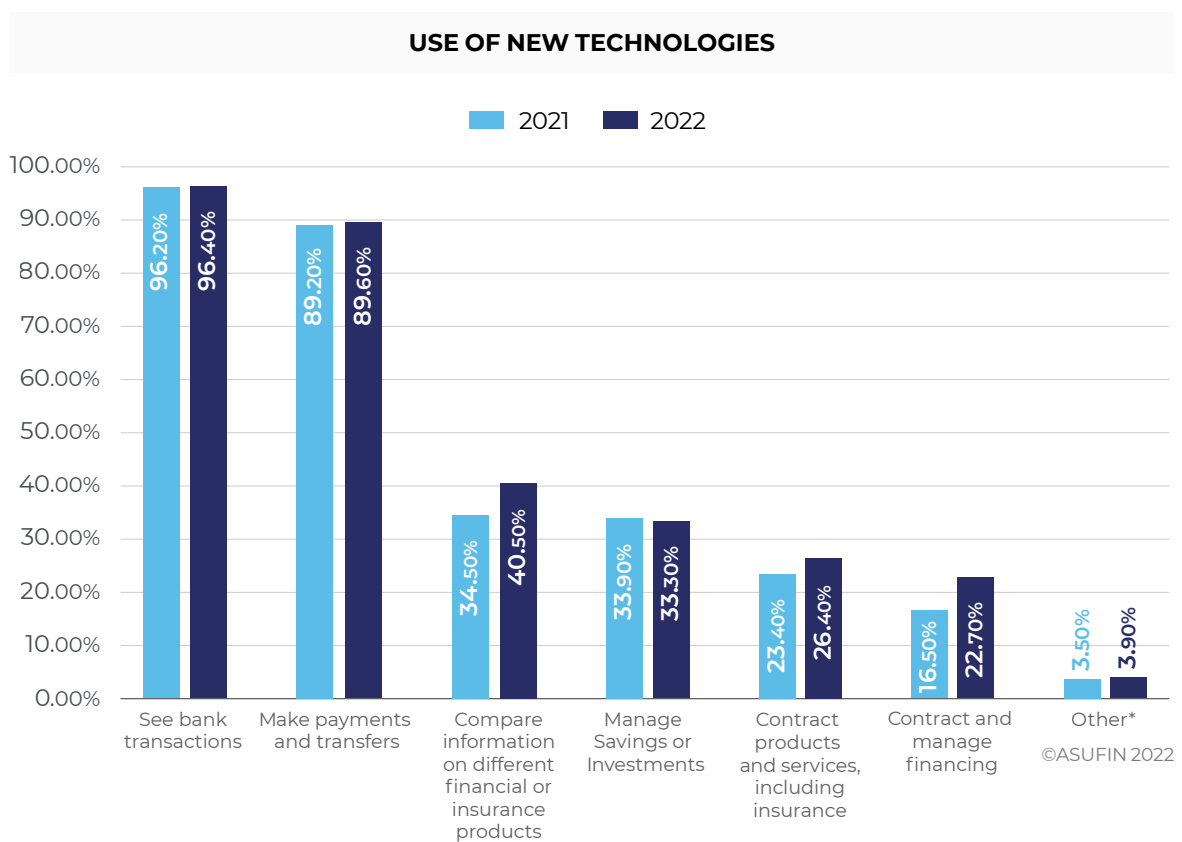
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The reality of crypto investment shows two interesting facts: **66.20%**, 7.10% more than the 59.10% of the previous year, **already indicate that it is a risky investment and 58.60%, who are losing money**, 29.80% more than the 28.80% in 2021.

PART 1 FINTECH KNOWLEDGE AND USE

Compare and search for better prices and financing, both options are on the rise

Digitization in finance is present in two types of banking operations, which remain in the majority. On the one hand, just the consultation of bank movements, which make up **96.40%**, 0.20% more than in 2021, and making payments and transfers, with **89.60%**, 0.40% more than in 2021. In other words, the percentages are practically unchanged but very much in the majority.



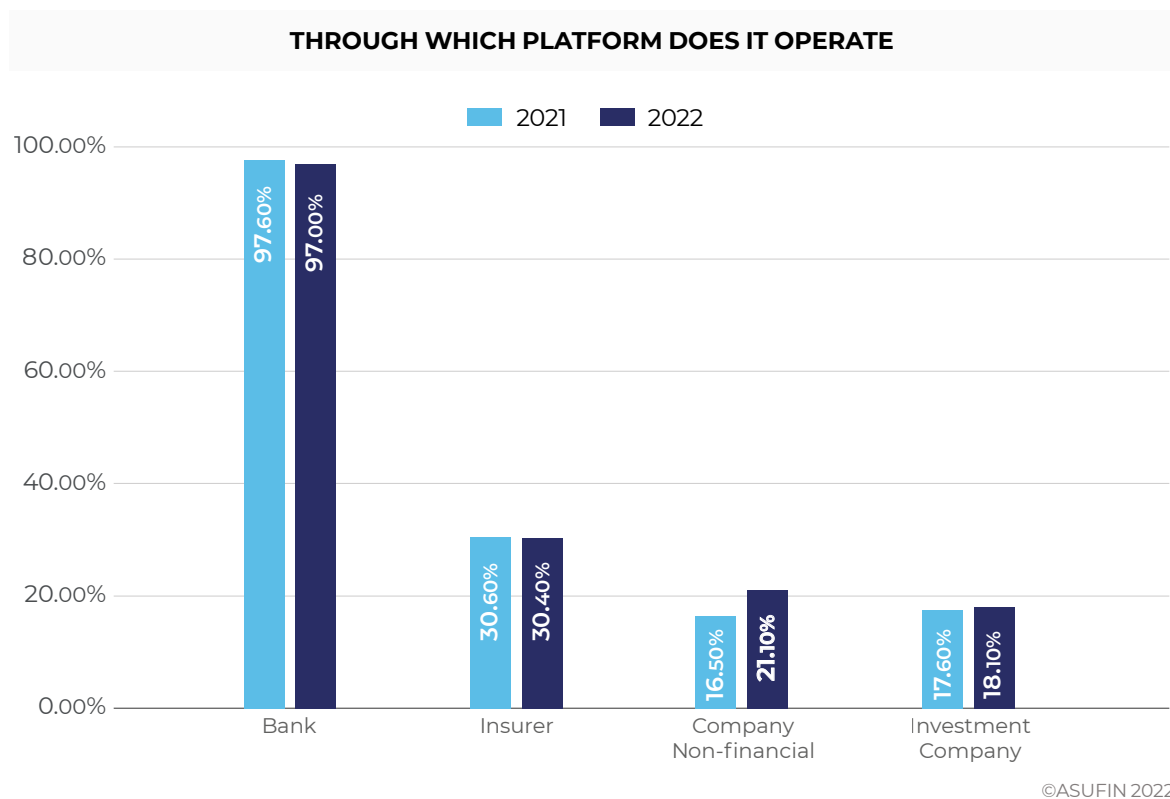
*crowd equity, crowdfunding real estate, social trading

With regard to the rest, it should be noted that, once purchasing power is gone, the request for funding through online channels, often of an informal nature, gains relevance. Specifically, it increased from **16.50%** in 2021 to **22.70%**, an increase of 6.20%. Another striking fact is the increase in the use of comparison websites to look for the best market conditions, which goes from **34.50%** to **40.50%**, 6.00% more. Also gaining followers is the contracting of products and services, including insurance, which rises from **23.40%** to **26.40%**, 3.00% more. Another type of operation barely undergoes changes: managing savings and investment online, which for example, slightly drops from **33.90%** to **33.30%**.

Non-financial enterprises: an upward alternative

The bank remains the main channel used for operations, with **97.00%** of the total, followed by the insurer, with **30.40%**. Fintech companies, as such, gathered under the heading of “non-financial,” concentrate **21.10%** of digital users, followed by investment, with **18.10%**.

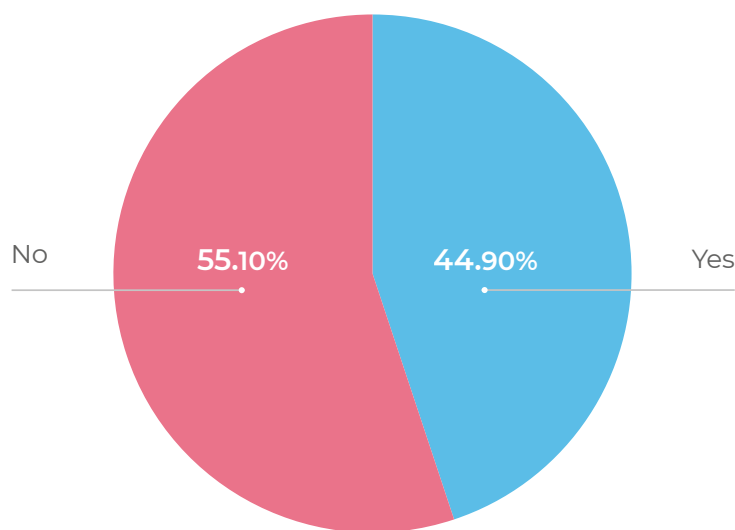
Noteworthy is the variation experienced in Fintech companies, whose use rises from **16.50%** in 2021 to **21.10%** in 2022, 4.60%. Although this category includes very diverse companies, undoubtedly the increase in contracting of other financing products such as mini-credits, which are closely related to families' greater needs for money, is important. The variations with respect to 2021 of the rest are minimal and these usage guidelines are maintained.



Knowledge of Fintech companies grows

One of the most important consequences is the increase in the knowledge of Fintech companies, which goes from 40.10% in 2021, to **44.90%**, 4.80% more than in 2021, and 12.30% more than only two years ago.

KNOWLEDGE OF FINTECH COMPANIES



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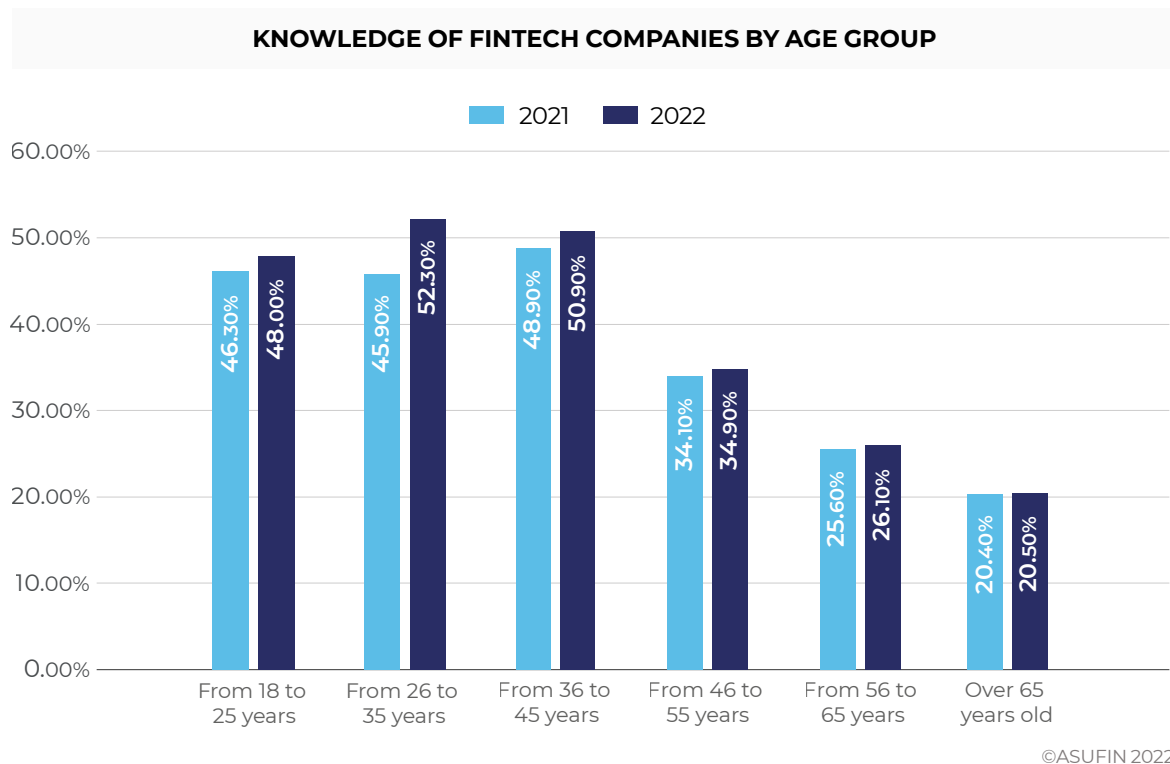
¿What is Fintech?

It comes from the concepts **Finance and Technology** and involve the use of innovation and technological procedures to provide financial products and services.

Knowledge grows especially among the younger participants and the gap widens with age

Knowledge grows among all age groups, but it does so at two very different speeds: high rates among the youngest (under 45) and much slower rates among the oldest (over 45).

The most important group, with **52.30%**, is those between 26 and 35 years, which increases by 6.40%, from **45.90%** in 2021. It is followed by the range between 36 and 45 years, which goes from **48.90%** to **50.90%**, 2.00% more and, finally, between 18 and 25 years that reaches **48.00%** after increasing by 1.70% compared to 2021.



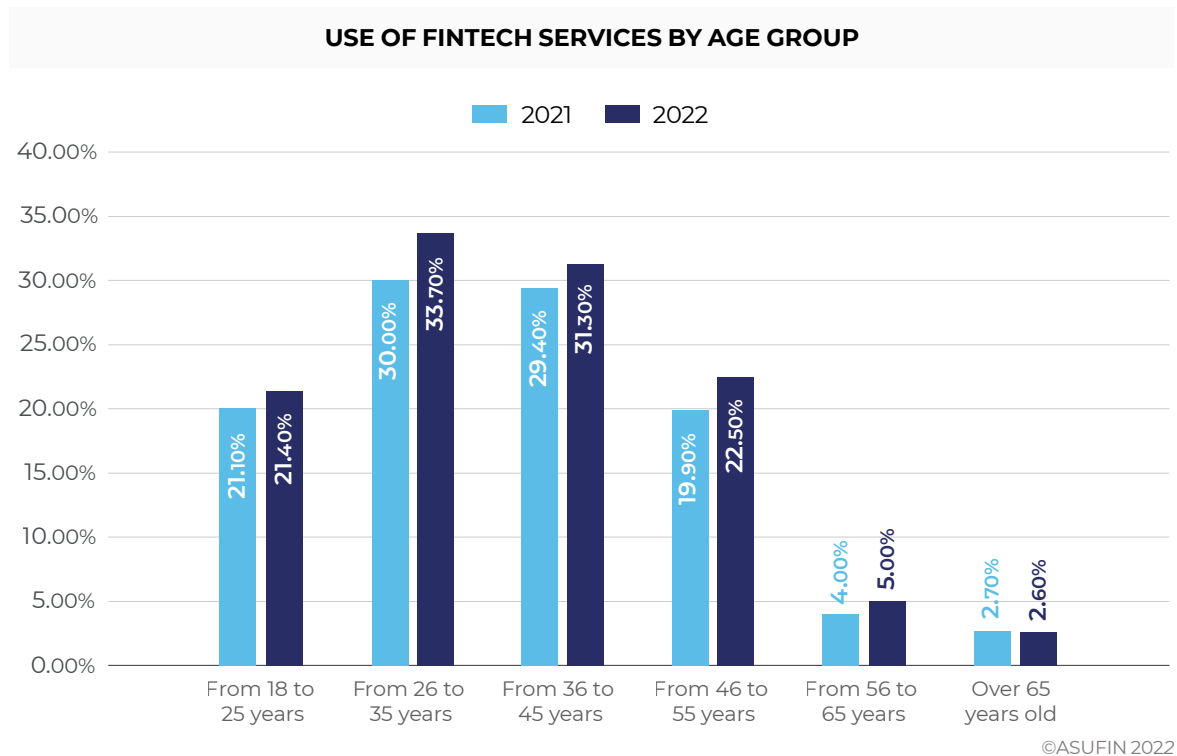
For older users, the increase in knowledge occurs more discreetly. Thus, between 46 and 55 years, it rises 0.80%, going from **34.10%** to **34.90%**; while from 56 to 65 years it only grows

0.50%, going from **25.60%** to **26.10%**, and from 65 years on it goes from **20.40%** to **20.50%**, just 0.10% more. This is widening the financial and digital divide. While in 2021 the difference in knowledge between the 36-45 age group and the 46-55 age group was 14.80%, in 2022 this difference grows to 16.00%.

One in three users between 26 and 35 years old already uses Fintech

The greater knowledge is leading to greater use, with moderate growth in all age segments, except for those over 65, which slightly drops from **2.70%** in 2021 to **2.60%** in 2022, 0.10% less.

The age range that rises the most is the 26 to 35 year old group, which leads the use with **33.70%** in 2022, after rising by 3.70% compared to **30.00%** in 2021. It is followed by the 36-45 year group, which increases by 1.90%, from **29.40%** in 2021 to **31.30%** in 2022. The third age range, from 36 to 45 years, stood at **22.50%** in 2022, 2.60% more than 19.90% in 2021. Those aged between 18 and 25 go from 20.10% in 2021 to **21.40%** in 2022, 1.30% more.

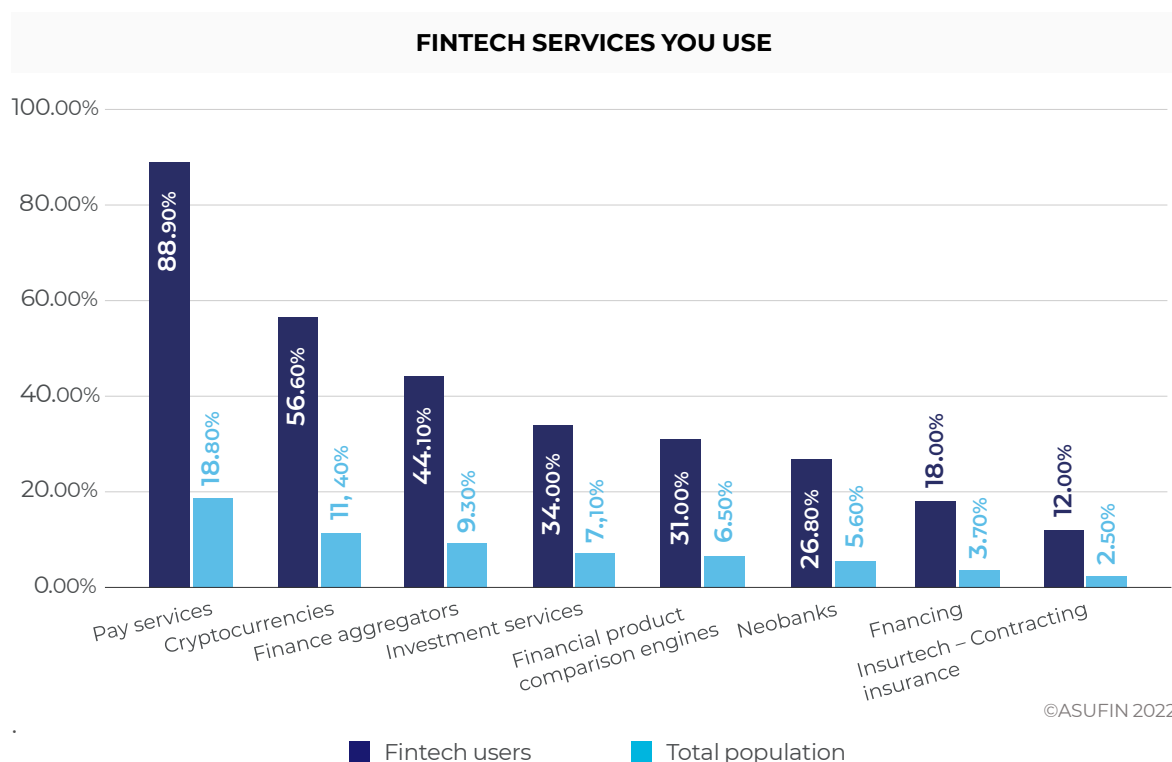


The generational gap widens, in this case, between the range of 46 to 55 years and 56 to 65 years. While in 2021 it was 15.9 percentage points, it has expanded to 17.5 percentage points.

Aggregators and Financing, the Fintech services that had most risen, Cryptocurrencies, stagnate.

On the Fintech services used, payment services remain the main ones, with some formulas growing such as Buy Now Pay Later, which are developed by banks but also other companies and which account for **88.90%** of Fintech services (0.90% more than 88.00% last year) and **18.80%** of the total population (0.30% more than 18.50% in 2021).

Cryptocurrency investment is the second choice, but after the spectacular growth of 2021 it stagnates. This represents **56.60%** of Fintech users (0.60% more than 56.00% in 2021) and **11.40%** of the total population, only 0.20% more than 11.20% in 2021. On the contrary, the third option, aggregators, does experience significant growth, going from 37.50% in 2021 to **44.10%** in 2022 of the total Fintech users, and from 7.50% of the total population in 2021 to **9.30%** in 2022, 1.80% more.



The increase in investment services is less pronounced, with **34.00%** of Fintech users using it, 0.80% more than the 32.20% in 2021, and **7.10%** of the total population, 0.40% more than the 6.7% in 2021. Comparison engines rise even more, as the fifth option with **31.00%** of Fintech users, 4.00% more than 27.00% in 2021, and **6.50%** of the total, 1.10% more than the 5.4% in 2021.

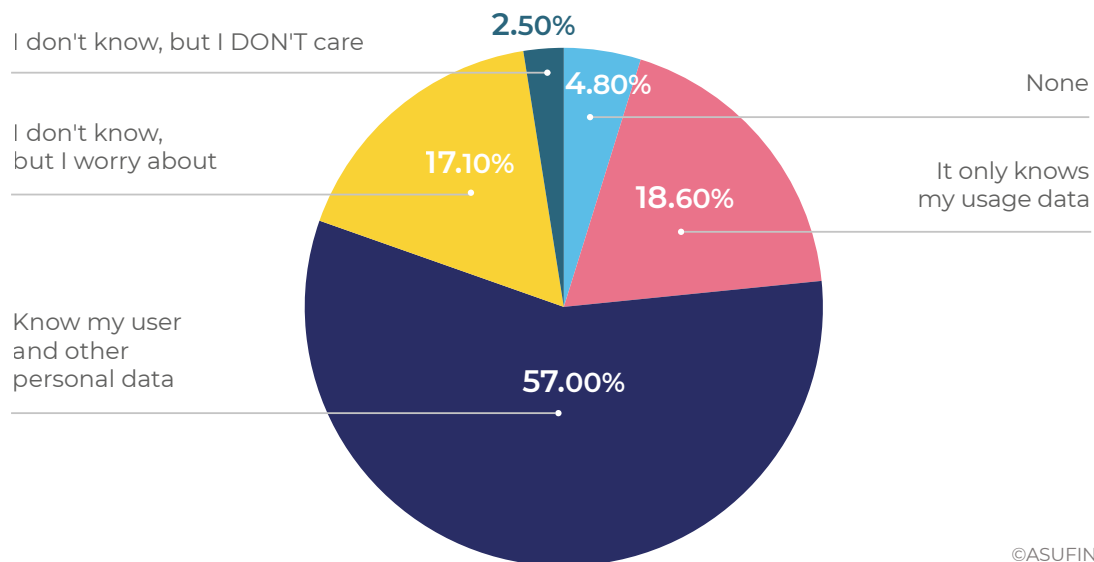
The category of neobanks rises slightly, up **26.80%** of fintech users (1.00% more than 25.80% compared to 2021) and **5.60%** of the total (0.40% more than in 2021). Funding rises further, reaching **18.00%** of the total Fintech (6.10% more than 11.90% in 2021) and **3.70%** of the total, 1.40% more than in 2021. Finally, Insurtech insurance and services contracts barely change, being **12.00%** of the total, 0.10% more than 11.90% in 2021, and **2.50%** of the total (0.10% more than 2.40% in 2021).

PART 2 TRUST AND KNOWLEDGE OF TECHNOLOGY COMPANIES

Users are more aware of the transfer of data to technology companies

At a time when users are making greater use of digitization, it is important to be aware of another of its aspects: the transfer of data. In this sense, and with respect to the large technological companies (GAFA: Google, Amazon, Facebook and Apple), more than half, **57.00%**, are aware that they give up their data, 2.00% more than 55.00% in 2021.

KNOWLEDGE OF THE TRANSFER AND PROCESSING OF DATA: GAFA



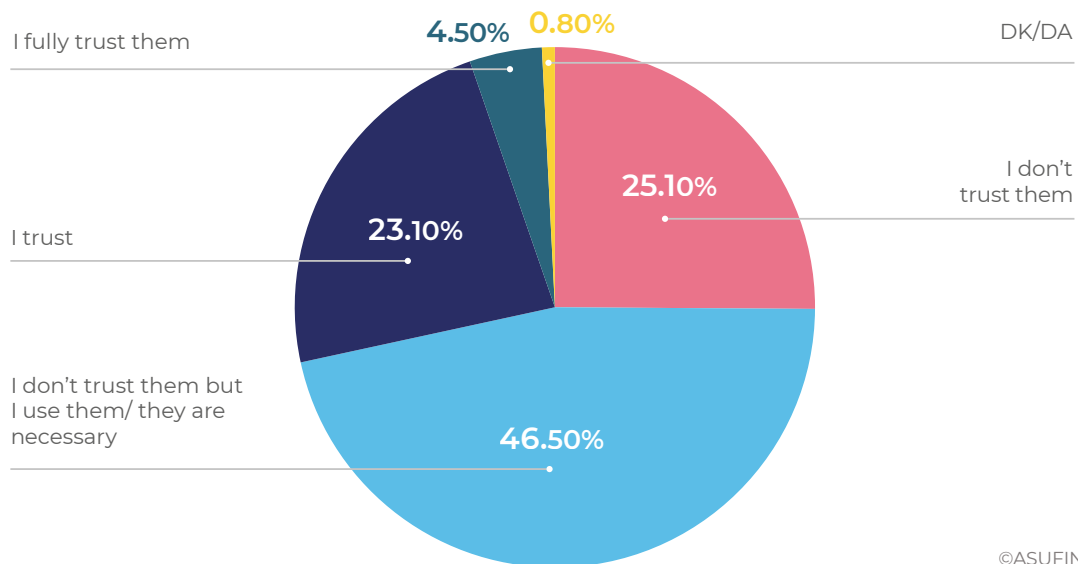
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Those who consider that only they know their usage data account are **18.60%**, 0.50% less than the 19.10% in 2021. Those who say that they do not know it are also dropping, but that they are worried, which goes from 18.10% in 2021 to **17.10%** in 2022, , 1.00% less. Finally, those who say they don't give up any data are reduced to **4.80%** ,0.30% less than 5.01% in 2021, and those who point out that they don't know but don't care, is only **2.50%** of the total, 0.20% less than 2.70% in 2021.

71.6% of users do not trust large technology companies but 46.5% consider them necessary

There is growing mistrust of the big tech companies. Those who declare that they do not trust them rise from 23.00% in 2021 to **25.10%** in 2022, an increase of 2.10%. This is also the case for those who say that they do not trust them but consider them necessary, which increases from 45.10% to **46.50%**, or 1.40% more. Both options already account for 71.60%, more than 7 out of 10 users.

I TRUST GAFA COMPANIES (GOOGLE, AMAZON, FACEBOOK, APPLE)

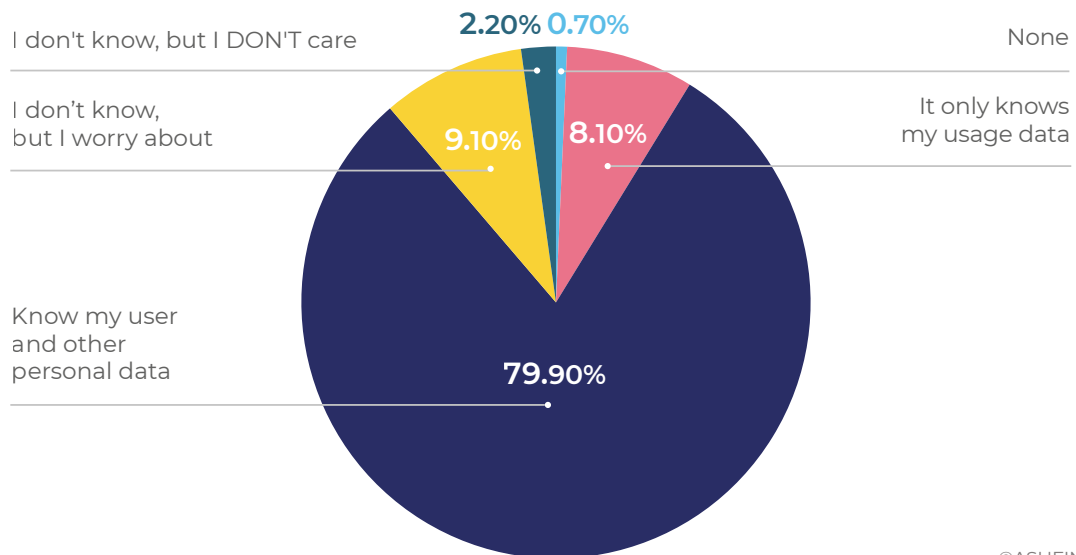


On the contrary, those who declare that they trust them decrease from 24.00% in 2021 to **23.10%** in 2022, 0.90% less those who fully trust them, which remain practically the same, since they go from 4.40% in 2021 to **4.50%** in 2022, only 0.10% more.

8 out of 10 Spaniards recognize that banks and insurers know their personal data

Similarly, the knowledge we have regarding the transfer of our personal data to financial institutions is growing. Thus, 8 out of 10 Spaniards, **79.90%**, state that banks and insurers know their usage data and other personal data, which is 2.80% more than 77.0% in 2021.

KNOWLEDGE OF THE SURRENDERING AND PROCESSING OF DATA, BANKS AND DATA



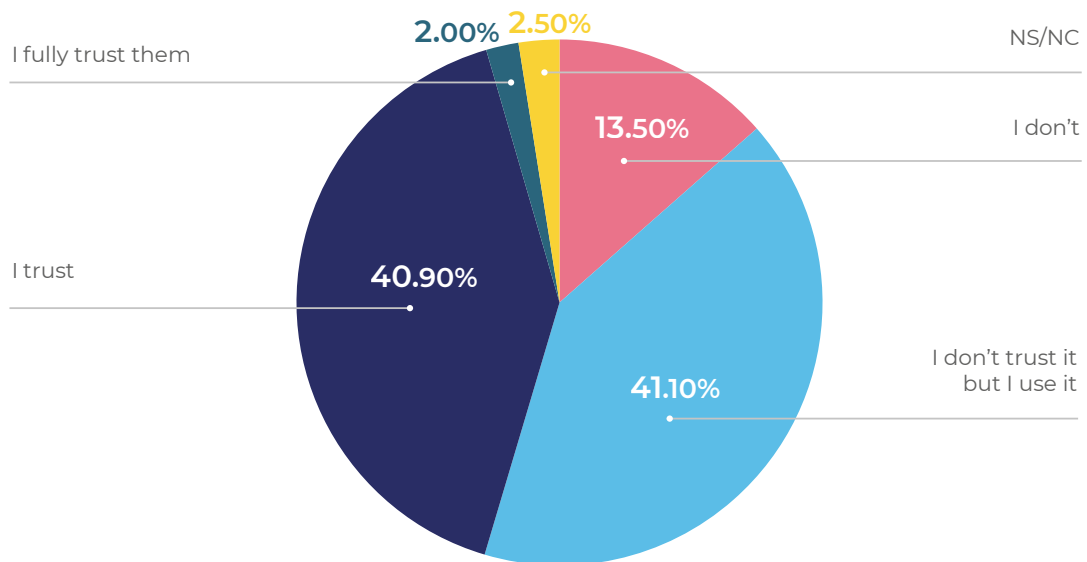
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On the other hand, there are those who affirm that they only know their usage data, which falls from 10.00% in 2021, to **8.10%** in 2022, 1.90% less. Those who point out that they do not know but that they do not care go from 9.60% in 2021 to **9.10%** in 2022, 0.50% less, also in decline. Those who point out that they do not know but do not care falls from 2.70% in 2021 to only **2.20%** in 2022. Finally, those who say they don't give up any data only represent **0.70%**, just 0.10% more than the 0.60% from the previous year.

54.60% of users do not trust banks and insurers

More than half of users do not trust banks and insurers. Specifically, **13.50%** declare that they do not trust them, 0.20% more than 13.30% in 2021, and **41.10%** who do not trust them but consider them necessary, 4.40% more than 36.70% in 2021. Although it accounts for more than half of users, 54.60%, which is a much lower percentage, 17.00% less, than the 71.60% who declare distrust of technology companies.

I TRUST BANKS AND INSURERS

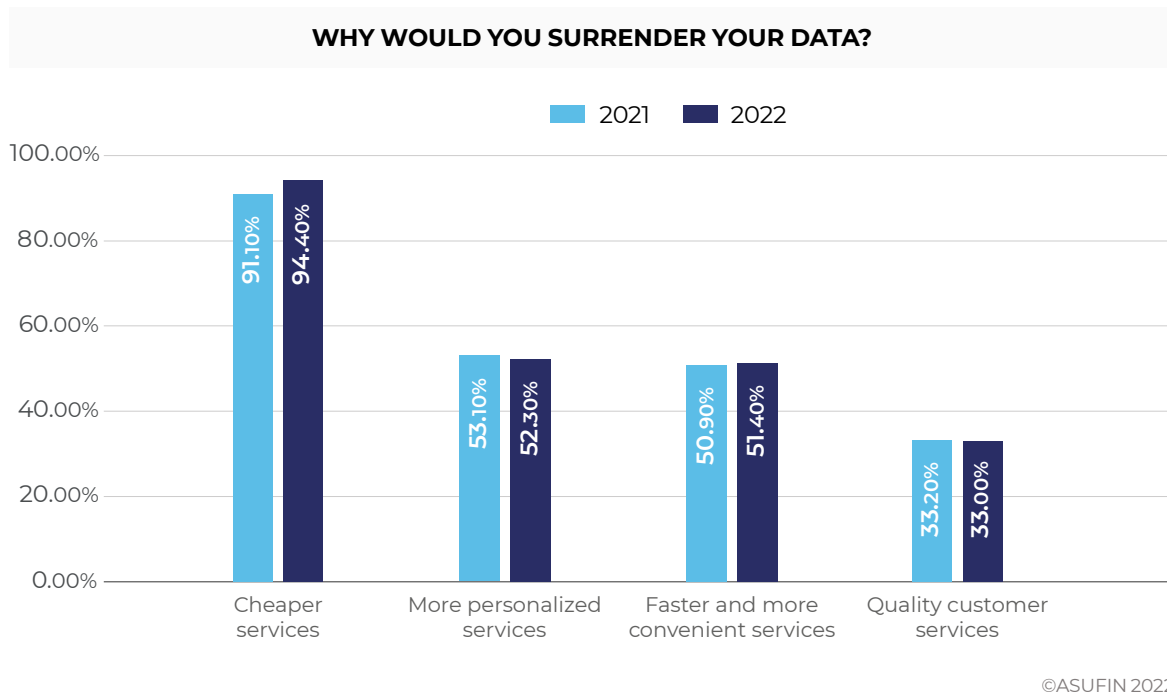


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In fact, a high percentage, **40.90%**, indicates that they trust them, although it has decreased by 3.00% compared to 43.90% in 2021.

94.4% of Spaniards would give up more data to get cheaper services

In the midst of an economic situation marked by rising prices and uncertainty, the percentage of Spaniards who would give up a greater amount of their personal data for receiving cheaper services remains high. Specifically, **94.40%**, 3.30% more than **91.10%** in 2021. There is also the third option, that of receiving faster and more comfortable services, which motivates **51.40%**, 0.50% more than **50.9%** in 2021.



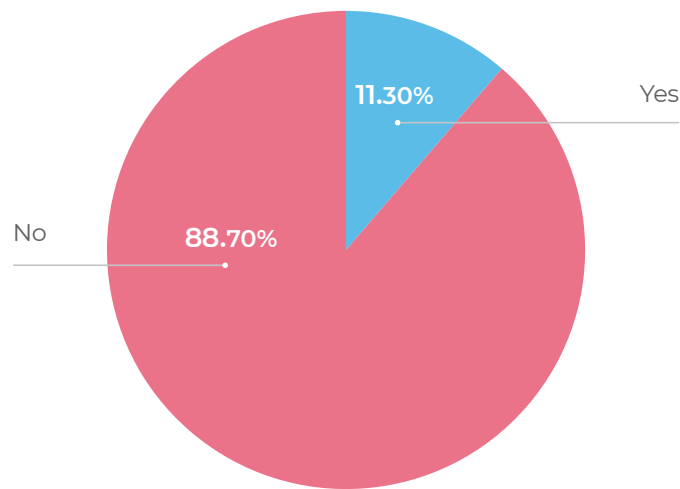
The option of receiving more personalized services remains practically unchanged, which motivates **52.30%**, 0.80% less than in 2021; and the improvement of customer service, which drops from **33.20%** in 2021 to **33.00%** in 2022.

PART 3 CRYPTOCURRENCIES

Cryptocurrency investment stagnates and the amounts invested are reduced

The “winter of cryptocurrencies,” marked by the sharp drop in their price since the first quarter of the year, has stagnated the progression in investment, which barely grows from 11.20% in 2021, to **11.30%** in 2022.

HAVE YOU INVESTED IN CRYPTOCURRENCIES?

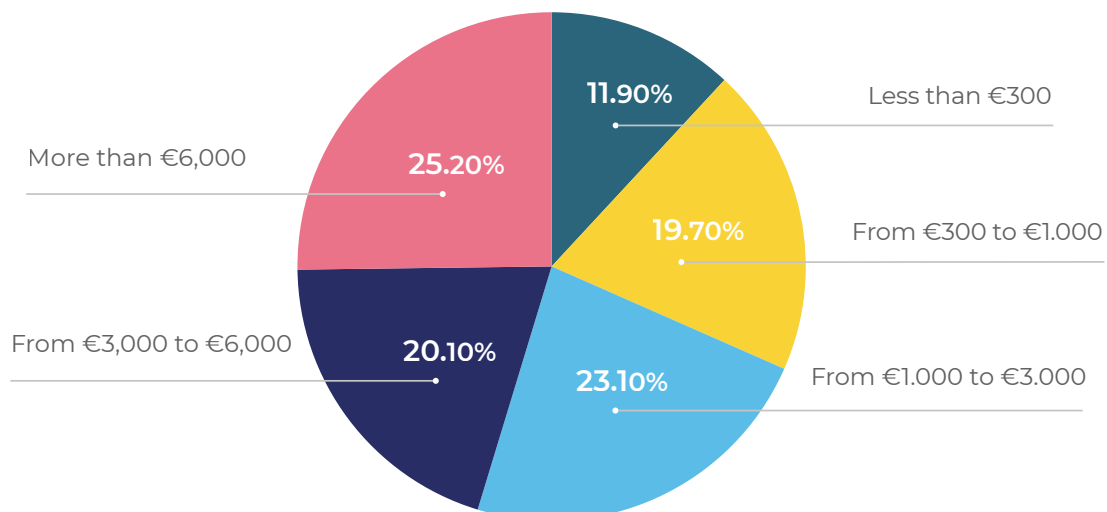


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This shifts moves to investment volumes, which are falling. Those who invest more than 6,000 euros goes from 26.20% to **25.20%** in 2022. Those who invest between 3,000 and 6,000 euros also goes down, from 23.40% to **20.10%** in 2022.

On the contrary, smaller investments are on the rise. From 1,000 to 3,000 euros, investments rise from 21.00% in 2021 to **23.10%** in 2022, a 2.10% increase. Those who invest from 300 to 1,000 euros also increase, from 18.30% in 2021 to **19.70%** in 2022, an increase of 1.40%. Finally, those who invest less than 300 euros rise from 11.10% in 2021 to **11.90%** in 2022, 0.80% more.

HOW MUCH YOU HAVE INVESTED IN CRYPTOCURRENCIES

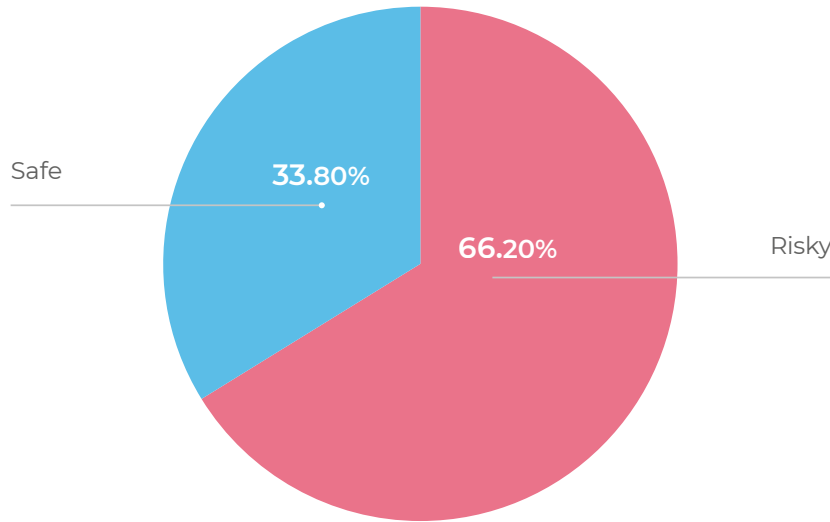


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People are losing confidence in cryptocurrencies: two out of three consider it a risky investment, while those who lose money sharply increase.

66.20%, or two out of three investors, consider crypto to be a risky investment. This is 7.10% higher than last year's figure of 59.10%.

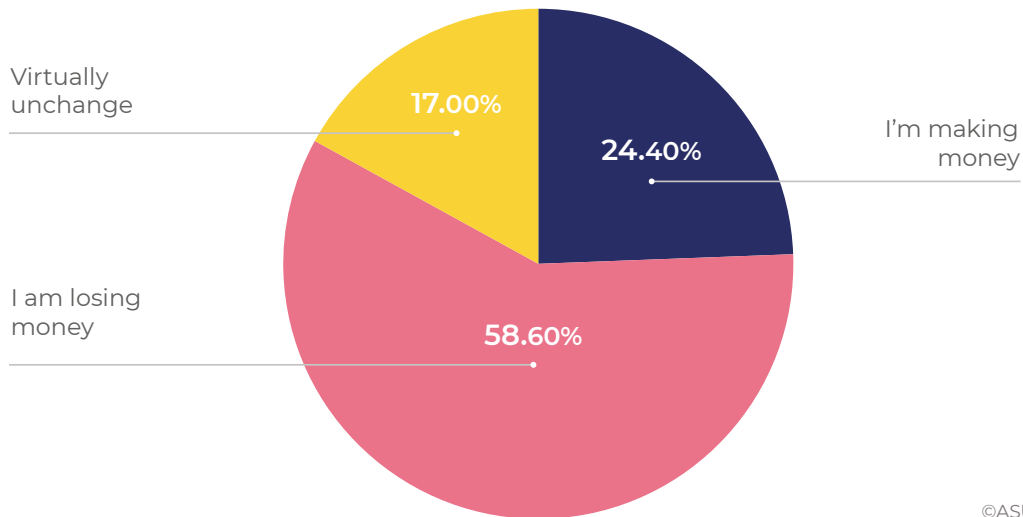
DO YOU CONSIDER CRYPTOCURRENCIES AS A RISKY OR SAFE INVESTMENT?



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58.60% already declare that they lose money, which is 29.90% more than the 28.80% who declared to have lost money last year.

HOW IS YOUR CRYPTOCURRENCY INVESTMENT GOING?



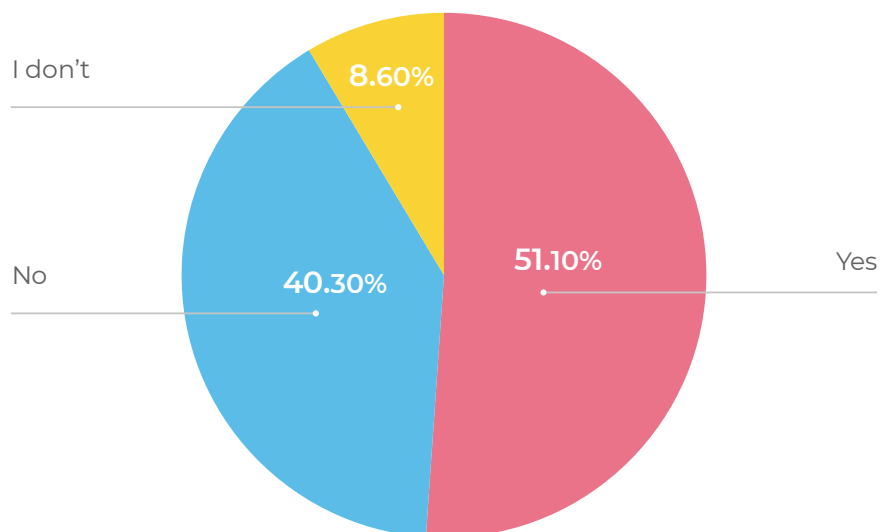
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Increased awareness of the lack of regulation and tax obligations

The difficult year for cryptocurrencies with closures of some platforms has a positive side: greater awareness of their obligations and knowledge of the characteristics of the platforms.

Thus, although just over half, **51.10%**, believe that platforms are regulated by the CNMV, the Bank of Spain or European Central Bank, it falls by 18.50% compared to 69.60% who believed it in 2021. On the other hand, those who do not believe rises from 22.10% in 2021 to **40.30%** in 2022, an 18.20% increase. Those who do not know hardly changes, rising from 8.30% in 2021 to **8.60%** in 2022, 0.30% more.

DO YOU THINK THE PLATFORMS IN WHICH THEY INVEST ARE SUPERVISED BY THE BANK OF SPAIN, ECB OR CNMV?



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With regard to tax obligations, less than half state that they do have to pay taxes, in a year like 2022 in which the Tax Agency has carried out an active campaign to point out this obligation for this year's tax returns. Specifically, this is stated by 44.30% with a growth of 14.10% compared to 30.20% in 2021.

On the contrary, those who say they do not have to pay are already in second place, dropping from 41.40% in 2021 to 31.10% in 2022, 10.30% less. Those who do not know also decline, which goes from 28.40% in 2021 to 24.60% in 2022, 3.80% less.

Conclusions

The digitization process in the financial sphere advances at a time of turbulence, and does so through other services, beyond the mere consultation of positions or performing basic functions such as wire transfers. The use of aggregators and comparison engines for financial products in search of improving economic conditions or better financing is noteworthy. This means that, although banks are the main entities, growth is seen in other types of companies, especially non-financial ones.

Of course, this growth is uneven, widening the digital divide among the elderly, which poses a major future challenge, since younger people will be able to access more products and services, potentially under better conditions.

But it is not only about changes in use, but also about being more aware of what the use of digital services entails, such as the transfer of data and a greater distrust in the companies to which we transfer them. In this sense, the distrust of technology (71.60% of users) is much higher than that generated by banks and insurers (54.60%), something especially derived from the opacity and lack of knowing what they are going to do with the data.

Finally, the changes also move into the realm of crypto trading. The unfavorable year is leading to a stagnation of the number of users and a drop in average investments, where two thirds already consider it a risky investment and about 60.00% already declare losses. But the most positive thing is that there is increased concern about whether platforms are regulated or not and also about tax obligations.

In short, these are relevant changes in the connection between technology and finance that presumably are accelerating but also leave challenges for the future, such as combating the growing digital divide with the elderly.

Let's talk!



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