

FDIC Mobile Financial Services Research Financial/Technology Professional Interviews In-Depth Interview Guide

1. INTRODUCTION (ALL) [5 MINUTES]

1. I am ... with Rockbridge Associates, a firm working with the FDIC to better understand how mobile financial services can be used for economic inclusion, to create and sustain banking relationships with underserved consumers.
2. This interview will take no more than 30 minutes. Everything you say will be kept private to the extent permitted by law. I do have a few colleagues on the line listening to our conversation today. If it is alright with you, I would like to record our conversation for note taking purposes. Is that alright?
3. You should have received an email prior to our call today with a summary of results from a series of consumer focus groups on the topic of mobile financial services. Did you get that information and have a chance to review it?
4. Before we get started, do you have any questions?
5. Let's start with a little background. Can you tell me a little bit about your day-to-day responsibilities at your organization? I am particularly interested in your work on mobile financial services and/or your work with low income consumers, or underserved consumers (those who might not have a traditional bank account or are using alternative financial services outside of the banking system)?

2. UNDERSERVED CONSUMERS (BANKS, CREDIT UNIONS AND NON-BANKS) [5 MINUTES]

1. Tell us a little bit about your market. How would you describe your customer base?
2. Now tell me a little bit about your underserved (or lower income) consumers. What debit and transactional products and services are they using? (NOTE TO MODERATOR: DO NOT FOCUS ON CREDIT PRODUCTS) Are they consistent customers meaning they have long, unbroken periods of engaging with your organization or do they come and go? What other providers do you think they use?
3. Does your organization have a long-term strategy with regards to underserved consumers? Can you describe it? What actions are you taking now to help achieve that long-term vision? How, if at all, do you increase the engagement and trust of underserved consumers?

4. How, if at all, has mobile financial services changed the way your organization interacts with underserved consumers?
5. Has mobile financial services altered your organization's retention of underserved consumers? In what way? Why?

3. MOBILE FINANCIAL SERVICES OVERVIEW (BANKS, CREDIT UNIONS AND NON-BANKS) [15 MINUTES]

1. What does your organization currently offer in the way of mobile financial services for consumers?
 - a. PROBE IF NECESSARY: What specific features does your mobile platform include? (What tasks can users complete on their phones?)
 - b. IF NOT BILL PAY, REMOTE DEPOSIT CAPTURE, PERSONAL FINANCIAL MANAGEMENT TOOLS, P2P for consumers: Why don't you currently offer bill pay and/remote deposit capture/personal financial management/P2P tools? Do you plan to in the future?
2. Broadly, what are the usage trends you see in mobile financial services for your customers? Can you share any metrics with us?
3. How do your consumer customers hear about your mobile platform? Is your organization actively marketing its mobile financial services to new and/or existing consumers? How?
 - a. PROBE: What do you consider to be the most important aspects of mobile financial services to communicate to consumers? What about your underserved/lower income customers? Why?
4. How much and what kind of assistance do customers require to use the mobile platform? Does this vary by different segments of customers (specifically underserved/low income consumers)? How? What kinds of customer service or support are available on the mobile platform? PROBE IF NECESSARY: What is the role of your tellers or other staff?
5. How has mobile impacted your relationships with your customers (specifically underserved consumers)?
 - a. PROBE: Have you seen changes in the level of fees consumers pay? In what way? Which specific fees are most impacted? Do you track or analyze this data?
 - b. Have you seen broader changes in channel use such as decreased use of [branches or physical locations], online and call centers? What are those changes?

- c. How engaged are the underserved with your mobile financial services (do they have more/less frequent interactions with the provider, spend more/less time per interaction, access other products and services, etc)? Why?
6. What are your institution's near-term plans regarding your mobile financial services offerings? Do you have any plans to introduce or change existing services in ways that might be beneficial to the underserved? Are you planning mostly for smartphones? What do you think the short- and long-term implications to your organization will be?
PROBE: Costs vs . benefits
 7. Are MFS consumers who use MFS different from the consumers who do not use it? (are they more sophisticated consumers of FS?) Can MFS help the underserved or is there a selection effect based on who is choosing to use the technology?
 8. Which services or functions have the highest and lowest rates of adoption, especially among underserved consumers? Are there particular challenges associated with implementing or getting consumers (especially underserved) to adopt specific features?

4. CONSUMER GROUPS (CONSUMER GROUPS) [20 MINUTES]

1. What, if any, trends do you see in the way underserved consumers conduct their finances?
 - a. How common are "new" methods of conducting finances, such as online and mobile banking? What, if anything, makes these channels important to the underserved, specifically?
 - b. Approximately, what proportion of the underserved consumers you work with are using mobile financial services? Do they tend to use mobile financial services from banks or non-banks (prepaid cards, PayPal, etc.)?
2. What do you see as the benefits and drawbacks of underserved consumers using mobile financial services to manage their finances?
3. Does your organization introduce underserved consumers to mobile financial services and/or encourage them to adopt them? Why or why not?
 - a. If so, what specifically do you teach?
 - b. Do you advise consumers on privacy and security issues? How?
4. How easy or difficult is it for underserved consumers to set up and use mobile financial services? Why do you say that? PROBE: Are there differences between bank and non-bank providers?
 - a. What barriers do they experience? Does your organization help address these barriers? In what way?

5. How much of an impact has mobile financial services had on underserved consumers' ability to manage their finances? Why do you say that? In what ways has mobile financial services changed their ability to manage their finances?
Does it differ between banks and non-banks (like prepaid cards)? How?
 - a. Have you seen changes in the level of fees (overdrafts, low balance fees, etc.) consumers pay? In what way?
 - b. Have you seen broader changes in channel use such as decreased use of branches and call centers? What are those changes? Do you think these changes are beneficial or not beneficial to underserved consumers? Why?
 - c. Have you seen changes in underserved consumers' perceptions and use of banks, vs. non-bank financial providers, through their use of mobile financial services? In what way?
 - d. Have you seen changes in how consumers learn about new products and services if they have adopted mobile financial services?
 - e. Any other changes in behaviors or outcomes for underserved consumers?
6. From what you have seen, what are underserved consumers' biggest concerns or reservations about using mobile financial services?
7. What do you think are the most important aspects of mobile financial services to communicate to underserved consumers? Why do you think that is the most important?
8. What do you see as the biggest challenges underserved consumers face using mobile financial services? How do you think they could be better addressed by organizations like yours and/or financial services providers?
9. What are features or improvements that financial services providers can implement in their MFS offerings in the near future that would benefit underserved consumers? In what ways would they benefit?

5. TECHNOLOGY PROVIDERS (TECHNOLOGY PROVIDERS) [20 MINUTES]

1. We have heard from a number of industry professionals that demand for mobile financial services is expected to increase in the next few years. What specific features do you think will be more in demand by your clients over the next few years? How do you think consumer attitudes will change regarding mobile financial services in the next few years?
2. Specifically, how do you think mobile financial services will change to better address consumer needs of control, convenience, affordability, security and customer service? (REFER PARTICIPANT TO EMAILED HANDOUT OR USE DEFINITIONS BELOW IF NEEDED)
 - a. Control – knowing exactly when and how money is deposited and withdrawn from accounts; confidence that transactions are processed quickly; absence of

unexpected fees; choice in payment methods; no limits on withdrawals; ease of long term record keeping

- b. Convenience – saves time or effort; financial providers have locations close to work or home; financial providers have hours past normal business hours; access to online and mobile tools
 - c. Affordability – Low/no fees for account maintenance, overdraft, individual transactions, check cashing, money order, bill payment, deposits, cash withdrawal and speaking with an agent; predictability in fees; help minimizing “avoidable” fees
 - d. Security – safety against theft both physically and digitally; protection against identify theft and data breaches; privacy
 - e. Customer Services – Representatives available through consumer preferred channel; representative available at convenient time to consumer; lack of excessive wait times to connect with representative
3. What are the current usage trends you are seeing in mobile financial services? Are some features more popular among certain segments (especially lower income or underserved) of your clients? Which ones and why do you think they are more popular? Which are the least popular? Why?
 4. What do you see as the biggest challenges of consumers facing adoption of mobile financial services?
 - a. Are the challenges any different for underserved consumers? In what way?
 - b. How, if possible, is your company working to address these challenges or helping your clients to address them?
 5. Do you help your clients market mobile financial services to their customers? If so, what role do you play?
 6. What are the most important aspects of mobile financial services to communicate to end users for successful adoption of the technology? What about for underserved consumers in particular?
 7. What are the costs and benefits of increasing user personalization or developing mobile financial services with one specific audience in mind? Is this something your clients are considering or investigating?
 8. Over the last few months, we have conducted several focus groups with underserved consumers on the topic of mobile financial services. We sent you some highlights from the findings and I’d like to talk about some of those in detail (NOTE TO FDIC: MOBILE FINANCIAL SERVICES SUMMARY TABLE ON PAGE 14 OF THE REPORT).

We commonly heard from underserved consumers that the lag time between making a transaction and having the available balance updated is too long. We also heard the processing time for bill payments can be too long. Finally, the hold time on mobile remote deposit capture is too long.

As a provider of technology, how much influence do you have over these issues? Could you speed up processing and hold times or are you working at the direction of your financial institution clients? Are these issues discussed when you create software? Are you involved in the decisions regarding these processing times?

9. When designing mobile financial service tools, in what ways, if at all, do you consider consumer protection laws and regulations? Are there conflicts between these rules and other regulatory or industry standards?

6. REACTION TO CONSUMER FEEDBACK (BANKS, CREDIT UNIONS AND NON-BANKS) [10 MINUTES]

Over the last few months, we have conducted several focus groups with underserved consumers on the topic of mobile financial services. We sent you some highlights from the findings and I'd like to talk about some of those in detail (NOTE: MOBILE FINANCIAL SERVICES SUMMARY TABLE ON PAGE 14 OF THE REPORT).

1. The table we sent you summarizes some of the most common mobile financial services and consumer perception of the benefits as well as potential changes that would increase the utility of these services for underserved consumers. I'd like to get your reactions to some of the consumer feedback we received.

Many consumers voiced frustration about the time lag between making a transaction and when that transaction is reflected in the available balance. They also said it was difficult to understand which transactions were reflected in the available balance as sometimes pending transactions are shown but not included. What is your current elapsed time between making a transaction and having it show up in the available balance shown on the mobile device?

Have you heard about this from your consumers? Is it possible for your organization to address this? Are you currently working on addressing this issue? Does it change the priority of addressing this issue if you know it is something underserved consumers want from mobile financial services?

2. Alerts are very popular among underserved consumers although many would like them to be further customizable including receiving them at specific intervals set by the consumer and tying them to external calendars.

Have you heard about this from your consumers? Is it possible for your organization to address this? Are you currently working on addressing this issue or adding any additional features to your alerts? If so, what customization options are you planning? Does it change the priority of addressing this issue if you know it is something underserved consumers want from mobile financial services?

3. The time it takes to pay bills is seen as too long and sometimes unpredictable to underserved consumers.

What is your reaction to this? Have you heard this from consumers before? Is it possible for your organization to address this? Are you currently working on addressing this issue? Does it change the priority of this issue if you know it is something underserved consumers want from mobile financial services?

4. **(BANKS AND CREDIT UNIONS)** Many underserved consumers find the processing time on mobile remote deposit capture too long to be useful. Consumers said it could take anywhere from 1 to 10 days depending on their financial institution and size of the check. What is your bank's current hold time for mRDC and how does it compare with hold times for checks deposited at ATMs?

Have you heard about this from your consumers? Is it possible for your organization to address this? Are you currently working on addressing this issue? Does it change the priority of addressing this issue if you know it is something underserved consumers want from mobile financial services?

5. **(BANKS AND CREDIT UNIONS)** Underserved consumers frequently mention overdraft fees as a reason they use alternative financial products instead of a traditional bank account. We heard interest from consumers in an alert that would notify consumers when their account was overdrawn and give them a short period of time to deposit money before incurring a fee.

Have you heard about this from your consumers? Is it possible for your organization to create this type of alert? Are you currently working on anything like this? Does it change the priority of addressing this issue if you know it is something underserved consumers want from mobile financial services?

6. **(NON-BANKS)** Underserved consumers were very interested in the concept of mobile remote deposit capture, or depositing a check by taking a picture with their phone. Does your organization offer this? If not, are you working on adding it to your current services? Why or why not? Does it change the priority of adding this feature if you know it is something underserved consumers want from mobile financial services?

7. **[IF NOT PREVIOUSLY DISCUSSED] Are there regulatory or policy-related hurdles that need to be overcome for certain MFS features to be implemented?**

Those are all of the questions I have for you today. Thank you so much for your time.