blend

Cultivate Growth in Retail Banking and Lending

What banks and credit unions should prioritize now.

Financial institutions face increasing pressure from changing customer demands and competition from nimble fintech players. Offering a frictionless customer or member experience is a key differentiator, but where to focus? This survey data shows where your peers are planting seeds to cultivate strategic growth.

The crucial factor in higher customer satisfaction and lower abandonment: **Make it faster and easier to open accounts and apply for loans**

Top 5 growth priorities for consumer banks

1. Integrating AI/ML — 46%
2. Speeding up account opening — 42%
3. Better omnichannel experience — 38%
4. Personalizing product recommendations — 38%
5. Modernizing account opening systems — 37%

Onboarding friction can turn new customers away

Banks and credit unions cite similar process challenges

Deposit account opening challenges

1/3 say customers frequently find their process difficult and time-consuming

39% say they frequently get too many data errors that require manual work

Consumer loan origination challenges

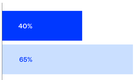
42% frequently struggle with fraud and compliance issues

Only **12%** say customers rarely struggle with their processes

Application abandonment rates are in the double digits

53% of banks report rates between:

37% of banks report rates as high as:



Where forward-looking institutions are investing in strategic AI to support scalability

- **63%** Personalized marketing
- **60%** Personalized product recommendations
- **53%** Online chatbots or virtual assistants

Top 5 ways financial institutions are attracting younger customers

1. **51%** **Implementing** AI-powered virtual assistants
2. **50%** **Improving** mobile experiences
3. **39%** **Facilitating** faster payments and transfers
4. **37%** **Integrating** financial education tools
5. **35%** **Improving** personalized product recommendations

More than half of banks and credit unions are drawing in Millennial and Gen Z customers with AI and personalization.

Virtual assistants powered by AI can provide instant, personalized financial guidance and identify opportunities for upsell and cross-sell.

How important to your leadership are the following factors in improving account opening and origination in 2025 and 2026?

Speed and efficiency top the list for 95%:

Customer experience is equally important:

AI-powered features are a target for 90%:

Consumer banking is moving ahead to meet the demands of tomorrow's customers. The question is: How does your institution plan to keep up?

Dig deeper into how banks and credit unions should modernize to current trends, read our blog article.

Explore how Blend can help you achieve your strategic goals of speeding up and simplifying account opening and loan origination

Explore Blend