EXPLORING DIGITAL CAPABILITY
IN OLDER AUSTRALIANS

September 2022

SPECIAL THANKS

We would like to thank Council on the Ageing (COTA) SA and the 46 older Australians who contributed to this research by sharing their time, views and experiences.

Authors

Dr Ary Suryawathy
UniSA Business

Dr Braam Lowies
UniSA Business

Professor Christine Helliar
UniSA Business

Professor Kurt Lushington
UniSA Justice and Society

Editorial

Natalie Paine
Social Impact Research and Reporting Lead
ANZ

Meg Dalling
Vulnerability and Accessibility Lead
ANZ

Emily Ross
Director
Emily Ross Bespoke

Design

erd.com.au

For further information

This report, other research into financial capability and financial wellbeing and ANZ's approach to accessibility can be found at
anz.com.au/about-us/esg/financial-wellbeing/

ANZ welcomes your comments and queries about this research. Please contact:

Natalie Paine
Social Impact Research and Reporting Lead
Natalie.Paine@anz.com

CONTENTS

FOREWORD

Maile Carnegie
Group Executive
Australia Retail

ANZ's commitment to financial wellbeing is long-standing and spans all areas of our business. We strive to support our customers to make the most of their money and to improve their financial wellbeing throughout their lives. Beyond providing core banking services, we can also play a key role in the community by leading thinking about what drives financial wellbeing.

ANZ has been exploring the financial literacy, capability, attitudes and behaviours of Australian adults for 20 years. Our most recent 2021 Financial Wellbeing Survey, the seventh since 2002, included for the first time, an exploration of Australians' understanding of the risks associated with banking in an online world.

This research conducted by the University of South Australia delves a little deeper into the topic, asking older Australians about the challenges they face when using digital banking.

Digital banking has created great opportunities for people to bank wherever they need to in a fast and secure way. While older Australians appear to be adopting digital banking at a similar rate to other age groups, we know some hold concerns about online privacy and security, and there can be challenges with the accessibility of online platforms, channels and digital devices.

Most of us are likely to experience age-related impairments as we get older, whether that be with our vision, hearing, dexterity, mobility or cognition. Many of these impairments overlap with accessibility barriers faced by people with disability of all ages.

ANZ has been committed to building a more accessible and inclusive bank for our customers, employees and the community for many years. In 2007 we published our first Accessibility Plan, a series of public commitments that shape our approach – we refresh these commitments every few years to continue to drive progress and support our purpose to shape a world where people and communities thrive.

We are currently reviewing our approach to accessibility which will include developing ways to continually improve our digital channels to ensure they are accessible and inclusive for all customers, regardless of ability or age, supporting independent, dignified and convenient banking. The findings from this research will contribute to our approach.

EXECUTIVE SUMMARY

Based on a series of telephone interviews and focus groups, this report explores how older Australians experience the digital environment when conducting their day-to-day banking activities. It also explores the views of older Australians with hearing and vision loss and their experience of the digital banking environment.

In previous research examining the *Financial Capabilities of Older People*[1], UniSA found that older Australians favour personal attention and human interaction when conducting banking business. However, with the shift from the physical to the online environment, older Australians have had to adapt to the digital banking environment with varying confidence and capacity. Basic transactions, such as deposits and transfers, can now be done with a few easy clicks online, minimising the need for people to go into a bank and, therefore, the need for physical infrastructure. The trend towards online banking was further accentuated by the need for social isolation during the COVID-19 pandemic and associated lockdowns.

The context of the report is important. Data across all age demographics is demonstrating that older Australians (over 65) are responding in line with the national average when it comes to embracing digital banking. This report and the interviewees' insights are testimony to this. Whilst overwhelmingly positive, accessibility to digital banking remains a critical ongoing issue for older Australians. Age-related impairments, particularly vision and hearing loss, must be taken into consideration with all digital banking products and services.

Key findings

- Most interviewees were comfortable using the Internet including online navigation and browsing. Although aware of online fraud and spam, interviewees were less sure about viruses, phishing, cyber security and hacking. Only a few expressed privacy concerns when using the Internet.

- Most of the interviewees did their banking online, which was predominantly undertaken on laptop and tablet devices (mobile phone banking was less likely to be used). Interviewees found online banking sites easy to use and expressed a high level of trust in online banking practices. Some used their local bank branch to deposit money, resolve problems and seek information. Where interviewees did exclusively use their local branch for banking, this was mainly because of security concerns and unfamiliarity with computers/Internet.

- Most interviewees liked using credit and debit cards for purchases including 'tap and go'. Only a few preferred to use cash which was generally confined to small purchases such as payments at coffee shops.

- For many interviewees, getting a receipt was deeply ingrained and was commonly reported to aid budgeting and reconciling online bank statements.

1. Lowies B., Helliar C., Lushington K., and Whait R.B. (2019). The Financial Capability of Older People, Final Report, University of South Australia Business School. https://apo.org.au/node/223456.

- COVID-19 accentuated the trend to online banking with the requirement for social isolation, however the impact on the banking practices of older people was limited as most were already engaged in online banking.

- The main issue faced by the interviewees with hearing loss were those banking activities involving voice communications whereas for those interviewees with vision impairment, it was working with screens and, in particular, font sizes used on banking platforms. Interviewees with hearing loss were all avid online banking users as it minimised the requirement for voice. Online banking was a major and almost unsurmountable challenge for interviewees with vision impairment, who relied heavily on third parties for assistance.

There are a number of points for consideration which could assist the engagement of older Australians with digital banking:

- Engaging with people with lived experience (older Australians) is important in developing and implementing new technologies.

- There is a concern among older Australians regarding how best to support those who struggle with online banking. Some do not have the skills to do online banking and rely on third parties. Some would benefit from training programs. This needs to be undertaken using a teaching model which works with older Australians at their level of understanding.

- Customers with vision impairment would benefit from the option of a simpler online banking interface, where changes to that website interface are minimised. As well, they would benefit from EFTPOS machines with a larger user interface. Older Australians with movement problems and poor hand control also expressed similar requests.

- Customers with hearing loss are concerned about the way in which banking staff communicate with them. To this extent it will be useful to initiate workshops with banking staff to understand and enhance communication styles for customers with hearing loss.

- Older Australians are not well informed about online security. This may be partly addressed by education programs but not entirely (e.g. technology solutions/devices such as one-app devices restricted to online banking services).

- Alternative methods of providing face-to-face banking services, including video banking, could be explored with input from older Australians.

AT A GLANCE

Exploring digital capability in older Australians

Internet banking use by over 65s in the last 12 months*

86% Male vs **77%** Female

81% of people over 65 used Internet banking in the last 12 months*

26% of people over 65 used mobile apps in the last 12 months*

42 out of 46 interviewees primarily relied on Internet for banking needs
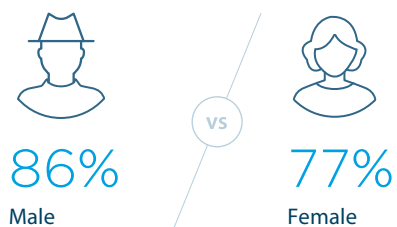
Overlapping needs: people who are elderly and people with disabilities

Many older people have age-related impairments that can affect how they use the web, such as declining:

VISION including reduced contrast sensitivity, colour perception and near-focus, making it difficult to read web pages

PHYSICAL ABILITY including reduced dexterity and fine motor control, making it difficult to use a mouse and click small targets

HEARING including difficulty hearing higher-pitched sounds and separating sounds, making it difficult to hear podcasts and other audio, especially when there is background music
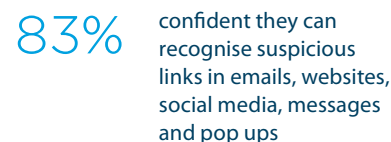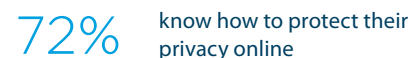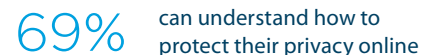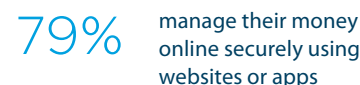
COGNITIVE ABILITY including reduced short-term memory, difficulty concentrating, and being easily distracted, making it difficult to follow navigation and complete online tasks

These issues overlap with the accessibility needs of people with disabilities. Thus, websites, applications and tools that are accessible to people with disabilities are more accessible to older users as well.

Source: Web Accessibility Initiative.

Older Australians over 65 years responded in line to the national average that they could:*

79% manage their money online securely using websites or apps

69% can understand how to protect their privacy online

72% know how to protect their privacy online

83% confident they can recognise suspicious links in emails, websites, social media, messages and pop ups

Banking channel used in the last 12 months, over 65 years and 64 and under (%)*

Online/internet banking (e.g. using a bank website for internet banking)
72%
81%

A mobile banking app
71%
26%

An automated telephone banking service
6%
7%

A bank telephone service to talk to a consultant
11%
5%

A bank branch
33%
45%

A post office
10%
10%

An ATM
59%
65%

● 0-64   ● 65+

Key challenges

Connection speed	Font size	Display	Phone banking	EFTPOS terminal changes	Reduced branch banking	Fraud and spam	Privacy concerns

*Source: 2021 ANZ Financial Wellbeing Survey.

INTRODUCTION

This report outlines the findings from interviews and focus group discussions with older Australians, to understand older peoples' views and perceptions on the rapidly changing digital banking environment. The following key questions were considered:

> What are the perceptions of older people regarding the use of technology (including devices) in managing their day-to-day finances?

> What is the level of information available to guide older Australians through the digital banking environment?

> What gaps exist in visual (words and text) and hearing (call centers and recorded messages) difficulties that older people may experience in the digital banking environment?

The data was collected through voluntary recorded 45-60-minute phone interviews with 40 older people and an additional six older people with vision and hearing loss, aged between 67 and 90 years residing in Adelaide and Melbourne. Additionally, two focus group discussions comprising six and seven older people in each group respectively were conducted. Participants in both the interviews and the focus groups were chosen from diverse backgrounds, including doctors/medical directors, teachers, public servants, engineers, IT professionals, nurses, academics, social/community workers and some that left school early and had no formal qualifications. Each participant gave their consent to be involved in the interviews and focus group discussions.

THIS REPORT IS STRUCTURED AS FOLLOWS

> Discussion of the interview findings, including interviews with participants with vision and hearing loss;

> Discussion of the focus group findings;

> Conclusion and points for consideration.

The interview questions are included in **Appendix 1**.

RESEARCH FINDINGS

INTERVIEWS

Demographics

Forty (20F, 20M) older Australians aged 67- 90 years were interviewed by telephone. Most interviewees owned their own house with very few renting or living in a retirement village. Just under half were educated to degree level while nine had left school early and had no formal qualifications. No interviewees had worked in the financial or computing industries.

Digital knowledge

The interviewees were generally digitally literate and only one person reported not using the Internet. One interviewee did not own any IT devices, around one third had one device, over half had two devices and less than a fifth had three or more devices. Eighteen of the interviewees had a computer, 26 had a laptop, 22 had an iPad or tablet and 38 had a smartphone.

The majority of the participants were active Internet users, often spending several hours a day surfing the web. This included checking their bank and utility statements. Most interviewees had downloaded apps onto their computers/smartphones and used them mostly with confidence. Most interviewees connected to the Internet at home. One-fifth of the interviewees (20%) reported that they connected to the Internet at a library, the mall or a friend's house. Most used Wi-Fi to connect to the Internet and, apart from one exception, were connected to the Internet using the National Broadband Network (NBN). All connected to the Internet through a modem and none reported using an Internet dongle or their mobile phone as a hotspot. One interviewee relied solely on a DSL 3G/4G connection.

The interviewees were knowledgeable of most computer terms and had a reasonable understanding of how the Internet worked. Almost all interviewees reported a working rather than a deep knowledge of the digital environment:

> Every now and then my computer invites me to protect my phone with the computer so it shares stuff. And I find every time it comes up... I just don't understand the language. It tells me 'Do this, do that' but I just never get it right. Difficult to understand.

Despite the high frequency of smartphones, only 11 interviewees had used their phone for banking and this was reluctantly. Conversely, 29 of the participants exclusively used their laptops and tablet devices for banking.

Technical problems using IT/technology

Most interviewees reported problems using their computers. Half of the interviewees reported problems with connection speed. About one third of interviewees had issues with the font size of text on Internet sites. A small number of interviewees reported experiencing problems with their displays (blank and/or dark screen) and mobility issues (secondary to arthritis in the hands, etc.) which affected data entry, typing and using a mouse. Several also reported problems remembering how to navigate websites, as one interviewee noted:

> ... for someone who does it all the time, it's good. If somebody works for the bank it's good. If somebody works on computers all the time it's good. But if somebody does banking once a week [with] different bank accounts, it's not intuitive. It doesn't really lead you to what you should be doing... You think, 'I wonder which one of these to click on'.

Social media use

Most interviewees were active on social media. Almost three-quarters of these interviewees active on social media used Facebook whereas very few used Instagram, Twitter or LinkedIn. Nine interviewees did not use social media at all.

Digital banking sites

The majority of interviewees that used online banking were very complimentary about their online banking websites. This included ease of navigation, layout and responsiveness. However, some limitations were noted with the lack of consistency between online banking:

> Each one [has] different requirements to log in and then they're just formatted so differently, how you get into the accounts... who does the banking for all these people with dementia or people in aged care?

Phone banking was not popular and rarely used by interviewees:

> Again, it tends to be a little bit frustrating for various reasons. Often you've got to go through it twice before you know which [menu option] you're going to go for. Then when you get there, it says you've got to do it all over again to get further down the branch... [of options]. Then when you do get there, it's "all operators are busy, please standby". An hour later you're still wasting your time because they haven't got enough people on staff.

The chat functions were least liked of all online banking features:

> Oh chat, no, no because my understanding is that it's not a real person, that it's a bot and it's a bit of a waste of time. I have tried once – it wasn't banking, it was something else – and I just thought this is just a total waste of my time. I'm out of here! You know this is ridiculous because at that particular time that I did it, I didn't realise it was a bot.

Technology/software updates and upgrades

Most interviewees reported that they had few difficulties upgrading software and did so regularly. However, several interviewees reported problems acclimatising themselves to new software interfaces/layouts. Many of the interviewees relied exclusively on automated updating software to handle upgrades. However, a reasonable minority avoided implementing any updates unless absolutely necessary. Several of the interviewees relied on third party agents to assist them with computer/software updates (and troubleshooting problems) but most relied on family and friends.

Computer security

The majority of interviewees were aware of the need for and importance of computer security. Several of the interviewees purposely used Apple devices because of their perceived cybersecurity benefits. The majority were confident as to the level of security provided by online banking sites, provided transactions were not conducted on a smartphone. One interviewee noted:

> A couple of times we've been frauded on our bank account and the bank has picked it up before we have. They haven't been huge amounts, but the bank has told us, and they've credited [us] and chased it... So that has happened with the bank account.
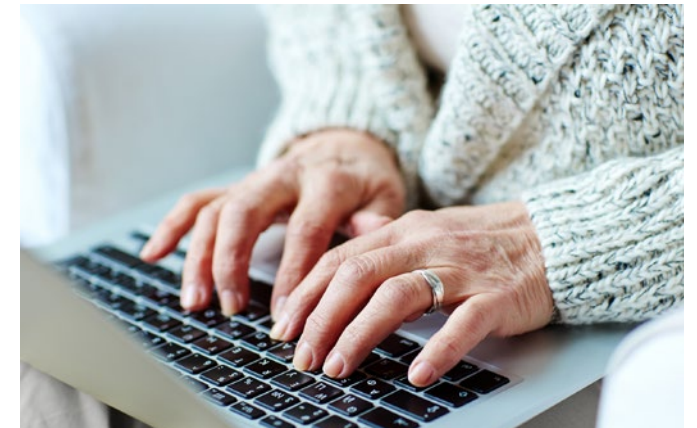
Awareness amongst interviewees of the different online security threats was mixed. Approximately half of the interviewees were aware of what was meant by spam and/or online scams and the need to be vigilant to such threats. Around one third of interviewees were aware of what was meant by computer hacking. About one third of the interviewees were also aware of what was meant by computer viruses, but only a few reported having anti-viral software on their computer although many expressed a willingness to do so. There was little awareness amongst the interviews as to what was meant by phishing, cyber-attack and firewalls. One interviewee noted:

> No, I never upgraded it, no. I often get emails to put their virus protection on my computer, but I've never done that. Yes, I don't understand that it is maybe necessary, and I don't understand if it's a con. Someone trying to get me to sign up to something that I don't need to, and whether I have to pay for something that I don't need, which can happen.

When asked how they dealt with any security issues, about one third of interviewees reported that they would ask for help, just under a third said that they would just ignore the problem and hoped it would either not happen to them again or it would go away, and a small number reported they had tried to manage a security issue by deleting applications or items.

Computer privacy

Only one third of interviewees expressed a concern for personal privacy when using the Internet/computer. However, this level of concern was minimal and had little impact on interviewees' Internet behaviour.

Navigating the Internet

Most interviewees reported few problems finding information on the Internet, although more than half reported that there was far too much information available and several mentioned that this sometimes left them overwhelmed. As one interviewee responded:

> Definitely overwhelming... I'd much rather talk to someone and have them solve my problem than go onto the Internet. Even though it's like ringing and joining a queue and waiting, I do like the personal contact. Far more comforting when I'm in an area that I don't really understand and it's all new to me. So yes, so I have had to try and use it and I haven't had that much success with it. So I struggle with it.

Banking practices

Thirty-six of the 40 interviewees primarily relied on online banking for their banking needs. About one third of the online banking users reported using their local bank branch for banking services either to make deposits, resolve an issue or ask for information. Four of the interviewees relied exclusively on their local branch for banking and did so for reasons of surety, anxiety about security and unfamiliarity with computer technology. This subgroup did not differ demographically from the interviewees who used online banking. Anxiety about the pace of change and adapting to new banking practices was shared by several interviewees. One interviewee reflected:

> I go into the banks and... they've all given me Internet access and passwords and things, and I will not use it because I feel so insecure about it. And that's a very real fear, especially with older people that don't understand the current technology that well, it's a real fear... And also that I might make a mistake, and someone may have access to all my banking, and I would lose my savings and that's my biggest fear. For old ones, they become frightened and insecure because there's so much change.

Interestingly, one 68-year-old interviewee who had been a tax advisor had stopped using Internet banking during the pandemic:

> I stopped using it during the lockdowns because I understood that there was an increase in stuff going on the computer and people being hacked. So, I stopped it there and it's been quite convenient... [going to a branch]. If they could provide more

guaranteed security, so that if I did transfer funds from me to a friend's bank account, there is some sort of guarantee that my passwords are not going to be hacked and then money drained out of my bank account... I would use it. I'm finding the bank methodology I've adopted during lockdown is quite simple, straightforward and fine... when you do it yourself on the website, there's a lot of steps involved. And you have got to make very, very, very certain that you put the right numbers in. If you go down to the bank and say, look can you transfer this $200 from my bank account to my friend's bank account and here's his BSB etcetera, they do all that a lot faster, and it's far more likely to be accurate.

A further interviewee also reflected on the pressure to adopt online banking:

> Well, this is my big thing. We don't want to do banking on computer. But I'm finding that I'm being made to do things on computer that I don't want to do... That's alright for me, I can do it. But I get very cross about it because what if you haven't got a computer or you really can't do it? My husband wouldn't be able to do it. I can do it. I will do it if I'm forced to but I don't want to do it. I find that I go to the bank, which I enjoy. And the bank I go to, the people are lovely. It's nice to see and talk to them once you are retired. I do think it's nice to talk to people. I draw out a certain amount of money a fortnight and if that goes, tough bikkies that's it. Whereas I find if you're just clicking on a card it's very easy to spend more than you have.

Cash, credit cards and ATMs

Three quarters of the interviewees used a debit/credit card while four never used cash. Half of the interviewees regularly used an ATM but, surprisingly, about a quarter of interviewees never used an ATM, instead preferring debit/credit cards and tap and go to pay for items. This latter group reported that they rarely if ever used cash. The interviewees who used cash reported that they do so because of the convenience for small transactions and the belief that small traders liked to get cash. As several interviewees noted:

> I'm quite happy using the card as payment but I like to have cash on hand because I like to give my family money; instead of buying presents I would rather give money.

> I don't know. I have to have cash with me just in case a card doesn't work and I want something.

On the other hand, going cashless and using tap and go was viewed as a positive by at least one interviewee:

> Oh, that's the other thing I've done now, the kids gave me a [smart] watch, it's amazing. So, I can tap and go with my watch now. I've got three accounts in there, so rather than get the card out or the phone out, I can just pay for my coffee with my watch.

Financial management

Checking on the accuracy of online banking statements was a high concern amongst interviewees. More than half of the interviewees relied on paper receipts for reconciling their online bank statements and also for budgeting:

> Yes [I keep all receipts]... on my PC, I have an Excel program where I have my budget and everything that I buy that goes onto this program and it reconciles each month on my PC and reconciles with the bank statements.

> Yes, I keep my receipts until I get the printed statement and then I check them all against the statement and then unless I've got something that needs a warranty, I throw the receipt away.

> I have a ritual when my statement comes in – or actually it's three different statements – I tick them off and then they go into recycling after I have ticked them off.

But not all interviewees rely on receipts:

> No, I can't be bothered, it's absolutely ridiculous, just a waste of paper. I've got a friend who demands a receipt every time we go anywhere, and I can't stand it because before you get home, it's on your Internet and you can have a look and see how much you spent today. There's a whole little list of what shops you've gone to and how much you've spent.

> No, because I have fairly regular habits. And I know when something turns up on my statement, where I've been and what I've done. If something turns up that I'm not sure about, I'll question it. I check my statements regularly just to make sure.

COVID-19 and banking

COVID-19 had a minimal influence on the banking practices of interviewees. Practices established prior to COVID-19 remained unchanged aside from an increased use and adoption of tap and go.

Community issues and online banking

Most of the interviewees were reconciled to the recent changes to banking operations. However, they did raise concerns regarding digital banking and the impact of this trend on some people in the community. For example, one interviewee raised a concern regarding community members with a disability or language issue:

> There might be people [in the town] with other needs and they'll never be able to use the banking system online because of their disability or they might just be illiterate. Could be a whole host of reasons and there might be some other way you might want to help them have a buddy. But that's a bit tricky when you introduce a buddy into your money.

As well, they expressed concern about those in the community whose working life preceded the Internet age:

> I think other people would find it more difficult. If you didn't have a job that was a desk job, a job that didn't have computers, I don't know what you'll do.

Many of the interviewees had acquired some level of computer expertise while in the workforce. Nonetheless, a minority were self-taught. When asked about how best to support older Australians adapt to online banking, many interviewees raised the value of workshops. Several had personal and positive experiences of courses conducted through libraries and other resources, but not all. The need to account for the special needs of older people when providing computer support was noted by several interviewees:

> Well with my recent experiences I've dealt with three banks. Two of them were very helpful. One wasn't much help at all and the two that were helpful, they did emphasise to me that if I had any questions any time, to get in contact with them and they were there to help. They really made that quite clear.

Anxiety regarding the need to adapt to changing banking practices and learning new skills was noted by one interviewee:

> But I'm thinking of people who don't have a computer. A lot of older people just don't have a computer; I don't know how they ever cope. It's so fearful, it's such a fearful thing for them and in many cases, they don't want to go down that path, they don't want to have to get this new technology, it's all too much for them... I almost have to be in a situation where I don't have a choice and I have to learn it.

Interviewees generally thought that the responsibility for learning online banking was partly on the individual. However, they also thought that learning about computers was a larger community responsibility and not necessarily incumbent on the banks:

> So I'm sure that the help is out there and all we have to do is ask and I think, you know, there's Seniors Australia and Council on The Ageing (COTA), they all have different classes. They have classes all the time to help and all that you'd have to do is ring and ask and there's all these community centres and even the libraries. They will all help. It's just that we have to reach out for ourselves, so there is help out there. But I don't know that it's up to the bank as such to do that because people will have to be willing to take that step and they aren't always that willing to do that and I find myself in that boat too a little bit, so yes.

Others were concerned about older Australians who were dependent on family and others to do their banking:

> My wife doesn't do any of this sort of thing, banking or anything like that. She lets me do it all, but that's another problem I find that when one of the partners get sick, the other one is lost. What do you do? What if they didn't have children? Who would come and help you?

The need for individual tuition which was pitched at the appropriate level for older people was stressed by several interviewees, for example:

> I think workshops are a great starting point [with] some of the big picture stuff and it also helps perhaps connect people so that you've got a pal on the journey. But I think that one-to-one is needed for most people if you have specific issues... my personal experience and exposure to technology training for older adults is that it's absolutely appalling. The people that present generally have such a depth of knowledge it's almost impossible for them to come down to a level that's needed to speak to somebody who's just starting off on the journey.

Qualitative findings consistent with the 2021 ANZ Financial Wellbeing Survey
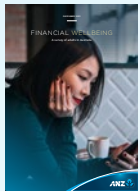
For the first time, the 2021 ANZ Financial Wellbeing Survey included questions on Australians' understanding of the risks associated with banking in an online world. The results of the quantitative survey were consistent with the findings in this latest study 'Exploring digital capability in older Australians'.

2021 ANZ Financial Wellbeing Survey

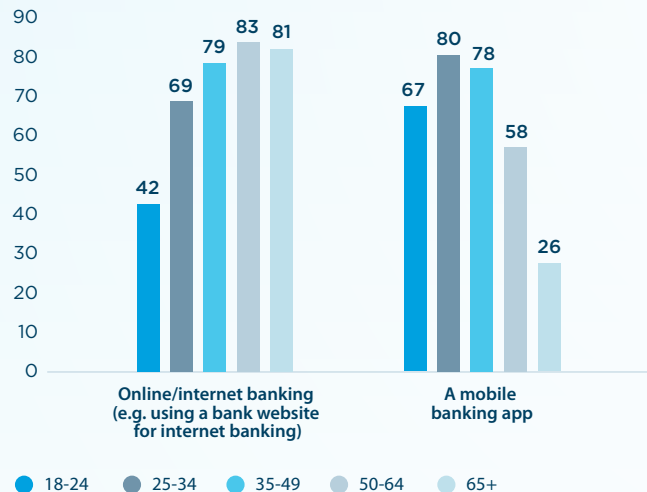Digital channel usage in the last 12 months showed that as age increased, there was a much stronger preference towards using Internet banking. Four-fifths (81%) of people over 65 years of age used Internet banking compared to only 26% of people over 65 using mobile banking apps.

DIGITAL CHANNEL USED IN THE LAST 12 MONTHS (%)

Online/internet banking (e.g. using a bank website for internet banking): 18-24: 42, 25-34: 69, 35-49: 79, 50-64: 83, 65+: 81

A mobile banking app: 18-24: 67, 25-34: 80, 35-49: 78, 50-64: 58, 65+: 26

Legend: 18-24, 25-34, 35-49, 50-64, 65+

Source: 2021 ANZ Financial Wellbeing Survey

Internet banking usage in the last 12 months was slightly higher for older men over 65 years (86%) and slightly lower for older women (77%). The discrepancy appears to be due to older women having a slightly higher propensity to use phone banking than older men (10% versus 3%). Older Australians were marginally more likely to use an ATM in the last 12 months than those 64 years and under (65% versus 59%) and to use a bank branch with 45% of people over 65 years reporting they had visited a branch in the last 12 months, compared to 33% of people aged 64 and under.

POSITIVELY, 79% OF OLDER AUSTRALIANS (AGED OVER 65 YEARS) AGREED WITH THE STATEMENT THAT THEY COULD 'MANAGE THEIR MONEY ONLINE SECURELY USING WEBSITES OR APPS' DESCRIBED THEM WELL OR VERY WELL. THIS WAS IN LINE WITH THE NATIONAL AVERAGE (81%).

Older Australians (over 65 years) responded in line with the national average that the statements 'I understand how to protect my security online' and 'I understand how to protect my privacy online' described them well or very well (72% and 69% respectively). They were also confident that they could recognise suspicious links in emails, websites, social media messages and pop ups in line with the national average (83%) and were no more likely to have lost money in a scam or fraud than the general population (14%).

BANKING CHANNEL USED IN THE LAST 12 MONTHS, OVER 65 YEARS AND 64 AND UNDER (%)

Online/internet banking (e.g. using a bank website for internet banking)
72%
81%

A mobile banking app
71%
26%

An automated telephone banking service
6%
7%

A bank telephone service to talk to a consultant
11%
5%

A bank branch
33%
45%

A post office
10%
10%

An ATM
59%
65%

Legend: 0-64, 65+
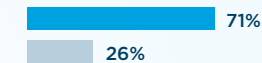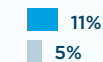
Source: 2021 ANZ Financial Wellbeing Survey

RESEARCH FINDINGS

HEARING AND VISION LOSS INTERVIEWS

Interviewees with hearing loss

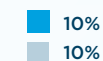Three participants were interviewed with hearing loss which ranged in severity from mild to profound. Participants included a schoolteacher (female), social worker (male) and school principal (male). All were high functioning individuals with no obvious language impairments. All had experienced age-related hearing loss. They were also strongly engaged with various community activities and reported strong social support networks.

The responses provided to the interview questions by participants with hearing loss were comparable to those reported without hearing loss. The only distinguishing feature in their responses was difficulty with voice communications and the consequences this had for banking.

As a consequence of their hearing loss, all the participants were avid computer users. They all expressed a high level of satisfaction with their online banking platforms and with conducting their banking online. All performed their banking primarily on home computers with two using their mobile phones. They all reported that they rarely used their local bank branch for transactions since commencing online banking. They attributed their confidence with computers to perseverance as much as to necessity.

All the participants with hearing loss, without exception, avoided phone banking:

> If you have some memory losses sometimes you hear something and it takes a little while to fully comprehend what they're talking about. It's not a senior moment rather that you don't know if you did hear that [correctly] and you think they said [that] and it's gone on without me.

They noted that clarity and diction were important, especially for phone conversations. They also reported that banking staff were sometimes less than sympathetic:

> I've occasionally had people who make it quite clear to me that I'm a pain in the butt because I don't understand them.

When discussing future trends in banking and issues around using voice rather than text to input information (e.g. Siri), participants highlighted several potential problems and a general disinclination, not unexpectedly, for this type of technology.

> Yeah, I've gone a bit hesitant because if it relies on me hearing specially... it's open to misinterpretation. You know, when you hear numbers that sound similar or when the people say no, where it could be naught or nine, instead of zero, those sorts of things would bother me.

When asked about future alternate technologies in banking such as using a video screen, they also noted some potential difficulties. By way of illustration, one participant with hearing loss relayed his experience when using Zoom:

> ... again, not everybody is clear in their diction and I know subconsciously that I lip read a lot and not everybody talks that clearly to be able to lip read them. So, picking them up on Zoom is almost as bad as picking them up on a [in-person] meeting.

When asked about how the banking industry may better accommodate the needs of clients with hearing loss, they stressed that it was a two-way responsibility (and the importance of speaking slowly rather than loudly):

Well, I have thought about it and it doesn't just apply to banks of course. It applies to insurance companies and other businesses. I think in some senses hearing loss is a hidden disability and I think that hearing aid providers play into that because they want their hearing aids to be hidden as much as possible. So it's very difficult for customer service staff to know when a person has hearing loss and so part of the solution lies in staff training to recognise from their interactions with a customer that they have a hearing loss and to approach it sensitively. I think that possibly as much as a bank or business can do, I think a lot of the responsibility lies rightly or wrongly with the individual with the hearing loss to first of all recognise the reality of their situation and take steps to address that. For example, first of all I announce the fact that I've got a hearing loss if I'm talking to people on the phone. I announce it not so much that I want people to speak more loudly but to speak more slowly.

I can increase the volume on my phone, but I can't stop them speaking fast... that comes into staff training I know but I think that I've got to control that as well. The other resource that I've used and continue to use in all my telephone conversations now is the speaker phone. And I think that again it's the responsibility of the person with the loss to take what steps they can to improve that communication. Sometimes it's just not possible to achieve satisfaction and maybe it's necessary to arrange a face-to-face interaction. But in terms of phone communication, I found over recent years that those two things sort out most of my issues anyway. And I've got what's considered to be a significant hearing loss. So, I think it's on both sides. I think the businesses including banks must make their frontline staff aware of the possibility that their customer has a hearing loss but it's then over to the client to do something, for the customer to do the work as well.

HEARING LOSS IS A HIDDEN DISABILITY AND I THINK THAT HEARING AID PROVIDERS PLAY INTO THAT BECAUSE THEY WANT THEIR HEARING AIDS TO BE HIDDEN AS MUCH AS POSSIBLE. SO IT'S VERY DIFFICULT FOR CUSTOMER SERVICE STAFF TO KNOW WHEN A PERSON HAS HEARING LOSS

Interviewees with vision impairment

Three participants were interviewed who each had profound vision impairment. One participant was completely blind from an early age with the other two participants' vision impairments more age-related. They were all very active in the community with strong participation in various vision impairment advocacy and support groups. One participant (female) had been employed in several administrative jobs through her working life while the other two participants included a bank official (female) and a marketing/fundraising specialist (male).

As was the case with the hearing loss participants, most of the interview questions by participants with vision impairment were comparable to those reported without vision loss. All three participants used the Internet for their banking needs, however, three main issues prevailed throughout. First, font sizes are too small. They countered this by using voice over technology, screen readers and magnifiers, but, as one participant noted:

I use a screen reader to access the information so if it sends me all over the screen or [can't] work out what the screen is doing, I just give up.

And another:

I have sight trouble, so I do have trouble. With the iPad, you can usually make it larger. But I find myself using a magnifying glass, reading some of the information.

Second, the participants with vision impairment recorded some worry in getting the numbers wrong in doing online banking transactions:

I am very cautious if I have to pay something, I will repeatedly say if I get a new account, I will read the numbers, and put them in and then I will go back and forth, maybe two or three times to make sure that I have got the correct information. So, it's not something because sometimes I do put things around the wrong way. And I am very, very careful as to how I do that.

I just don't put it in and then rush off. I always make sure that I've got the correct information. It's not a five-minute job. It takes a bit longer... I don't tend to be an anxious type of person, but things like that, because it could be a horrendous mistake. So, I do have some issues.

This worry further created lower levels of confidence with using online banking:

Well, if you're talking about the banking, yes, because if I'm doing something new, or entering a new account number and details, it takes a bit longer. So, I am cautious. And it does make for a slightly stressful time because then you know, you're holding your breath, not literally but you let out a sigh of relief once it's all sorted and cleared or, you know, they'll send through a security number so that you make sure that you know that this has gone to the correct person. And also, if you make a deposit somewhere, two deposits the same to the same account or something either out of my own account, I will get a notice telling me that I've already made one of these deposits and to put a number two there so that I'm confirming that the transaction that I've done isn't fraudulent.

All three participants with vision impairment relied on a family member to assist with doing online banking transactions because of the small font sizes and the subsequent worry and low confidence levels. Upon asking one participant if they use Internet banking at all, the answer was as follows:

Not on my own. I use the mobile app on my phone now for checking the balance and whether something's been paid in. But that's just like reading the statement. If I have to transfer any money and pay a bill that way, I usually get my daughter to do it just to make sure. You only have to be one digit out or [it depends on] whether you hit the key correctly or not. And when you read it with the screen reader it sounds okay. You can have different words sounding the same without all the letters there.

Apart from apparent vision issues, these participants experienced issues with voice over technology to some extent as words and numbers may be interpreted incorrectly.

When discussing the use of payment options, participants did not seem to mind using options such as tap-and-go technology. However, when it involved large amounts, the interface became problematic, as one participant noted:

The biggest problem I have now is that if it's over $100 and they don't have a tactile keypad... I can't put my pin in. And they don't know how to turn VoiceOver on. And I don't have time to stand there for four or five minutes trying to work out on the screen... To find the Voice... it's just not a public thing to do.

When participants were asked how the banking industry could make things easier for clients with vision impairment, simplification, as well as limiting interface changes (including retaining tactile keypads which aid orientation) were at the forefront:

They need probably some bigger terminals... the EFTPOS machines have [become] smaller and less tactile... even the ones with the buttons. Twenty years ago, [the terminal] had a very significant tactile keypad. Whereas now they've made them smaller and flatter and it takes a while to find [the tactile] dot on the five. I don't think a lot of the older generation... know that there's a dot on the five as in a tactile dot... So as long as I find the five, I can use a keypad quite happily.

Another replied:

Simplifying, navigating to find and do simple, simple tasks, I think is what would be good.

RESEARCH FINDINGS

FOCUS GROUPS

Two focus groups were held face-to-face in Adelaide in March 2021. There were six participants at the first (3F, 3M) and seven at the second focus group (6F, 1M). Each session examined the "good, the bad and the ugly of banking" and the "future of banking from a technology and digital perspective". A number of themes emerged from analyses of the focus group discussions:

1. Cash and the black economy

2. Reasons for not using cash

3. Bank branches and products

4. Role of banks and human factor considerations

5. Technology and digital education, and

6. The future of banking.

In general, the participants in the first focus group were well-educated with professional backgrounds including teachers, a public servant, an engineer and a doctor. However, their confidence in using technology ranged from very confident and knowledgeable to fairly basic. Their knowledge of banking and finance was average, with some understanding, but none had any detailed or in-depth knowledge of banking or banking products.

Six of the second focus group participants were retired and one described themselves as semi-retired. A further focus group member supplemented their income by running a stall at a weekend market. All had roles which required them to manage money (including community welfare and social workers, naturopath, academic, nursery worker and home duties), but none had worked in finance. No one expressed financial concerns and in general were well-educated and had professional/semi-professional backgrounds.

Cash and the black economy

There were two distinct views regarding cash; some participants thought it burnt a hole in their pocket with no idea where the money had gone at the end of the day, but others thought that it made people think twice about what they could afford. One participant related the story of her mother who had envelopes and put cash in each envelope and knew exactly what the money in each envelope was for and only spent it on that. So, for some people cash helped budgeting – anything left over could be spent on non-necessities.

Participants also talked about the importance of cash for gift-giving (e.g. as a gift in a birthday card to grandchildren, street performers, charity, etc). As an alternative to cash, some participants noted that they had started using gift cards as presents. This led to a conversation about how children would learn about money as the digital replaced the physical world of money:

> So, I'm wondering if we say in regard to your grandchildren, how do you teach the kids the value of money? How do they hold money and learn the denominations?

A further reason for preferring cash was its immediacy. Digital payments can take a while to be processed which can lead to problems. BPay was singled out as particularly problematic because it can take several days for payments to be processed which can lead to personal inconvenience and make budgeting problematic.

> Sometimes when you pay digitally, the payment doesn't actually go through to the recipient quickly. Sometimes it might take a day, two days, three days.

Cash was also thought useful for small purchases and where using a credit/debit card was perceived to be inappropriate. There was a concern as the transaction cost of using a credit/debit card for both the buyer and/or vendor. Dealing in cash was considered beneficial for acquiring certain services (trades) and goods. Participants in both focus groups highlighted the advantages of cash discounts as well as having negotiation power when dealing in cash.

> If you're dealing with people, talk cash and the price comes down. I mean, 20% off, if you're talking black economy.

Reasons for not using cash

Some participants never used cash and had apps on their phone to pay for things. The use of an app allowed them to keep track of their money and know exactly what they had spent their money on. Using a smartphone also helped manage money in that the amount of money left in the account was real-time information and they could see when they had no money left.

Most of the participants noted that they had relied more on cashless payments since the COVID-19 pandemic. Most valued the convenience of online banking and especially moving funds between accounts and making prompt payments:

> I had a palm tree removed that was $300 yesterday. So, once I've verified the BSB number and his account number I pay by "pay anyone"... and it's like a cash transaction because he got that money in his bank account in about five minutes. It's almost instant and it's brilliant.

However, it was noted that the small keys on most PIN devices were barriers to cashless transactions, leading to frustration not only for the older interviewee, but also for the people waiting in line to pay for their goods.

Banks, branches and products

The participants did not express strong bank loyalty and a preference was aired among the focus group for credit unions versus banks. This preference was attributed to better customer service and outweighed any concerns regarding lower returns on investments or deposits.

Participants especially noted the reduction in the number of bank branches and therefore the reduction in face-to-face banking services. This was felt to be mostly compensated for by online banking services but had led to further estrangement and reduced bank loyalty. A further point of notice was the reduction in the number of ATM machines, which they felt often happened without warning, but it was noted that supermarkets had become a fall-back for cash withdrawals.

Only a few issues were raised about banking products. In particular, in relation to the management of credit card accounts, it was noted that obtaining a credit limit increase was much easier than a decrease:

> ... so it is dangerous unless you have limits and sometimes it's actually really hard to get a lower limit. My husband was trying to get a lower limit on the card, he just wanted a lower limit for some of the overseas purchases he would be doing. He wanted a $200 limit, that was all. You would have to actually go into the bank branch, you couldn't lower the limit over the phone. If you wanted to increase the limit it was very easy to do over the phone.

Focus group participants valued security and simplicity of use when doing online banking. Banks and credit unions were praised for their efforts in curbing online crime:

> Unfortunately, it was the morning we were just about to fly to Hobart and use my credit card. But they said they found that it had been used... and I've always assumed they've got algorithms that check my spending patterns. And if something looks bizarre, they stopped it immediately. And I was very grateful that they did. I mean it's absolutely instant.

Also being reminded that some banking products may be perceived as easy to use, but in fact posed some difficulty for older clients.

Role of banks and the human factor considerations

Focus group participants noted the smaller role that banks now play in the community. There was a feeling amongst participants that the human factors involved in banking which had previously provided a sense of social cohesion and interaction, had disappeared. Feelings regarding this were very strong with some participants suggesting that it may lead to mental health issues amongst older Australians. Both focus groups strongly advised that older people would like banks to be strongly engaged with local communities.

Older Australians are used to a bank being more than just a service point and some are finding it difficult to adapt.

> ... you knew that once a week, you could meet up with all your friends because let's face it, most people used to go to the bank at the same time, same day, knowing they would meet the same people and all go off afterwards for a coffee or something, you know.

> ... I mean there were days in the past when the bank manager was one of the most trusted people in our community. That's where you went to get a reference for your first job.

Technology and digital education

While most participants were pleased with their bank's online site, including navigation and ease of use, the focus group findings suggest that older people do have some reservations. Although knowledge-based discussions yielded very mixed results, the lack of confidence in using technology (both computers and mobile phones) as well as the security issues associated with the online environment, were a serious point of concern to all participants:

> I'll confess that I won't use digital banking. I use phone banking a lot. And it's only because I've had this persistent anxiety about being hacked.

> That's the main reason older people won't use it because they just don't trust it. If my aunt who's in her 70s wants to buy something online, she will ask me to do it for her and give me the money.

The vulnerability of online transactions to scams was a point of concern to all participants. Some recent well publicised scams were discussed in the focus group as was the question of liability. Participants had varying views as to where liability may lie (i.e. with the individual versus the financial institution), and all expressed a desire for greater safeguards. It was acknowledged by participants that individuals need to take responsibility and implement safeguards, but there was uncertainty as to which safeguards were effective and where to obtain information.

To better protect themselves against fraud, several participants had put in place strategies to minimise risk. For example, some participants had several online/credit card accounts with varying credit limits which they selectively used depending on the size of a transaction/purchase. Three of the seven participants in the second focus group had experienced some level of fraud, either using their credit cards when travelling overseas or their accounts were hacked at home for reasons unknown.

While most were comfortable using their home (or library) computer for online banking, almost all the participants were reluctant to use mobile phones for banking because of security concerns. The reasons for this concern ranged from a perceived vulnerability to hacking to the safety of public Wi-Fi systems. A common concern voiced by several participants was the need to have an up-to-date mobile phone. Several participants noted that they could not load the latest banking apps onto their old phones. They also expressed problems using their phone and the convenience of using a card:

> It's all there, it's on there, but it's easier to get your card out really. You don't have to get your phone out, press a few buttons, so I haven't got around to using it.

Only two participants had downloaded a credit card to a 'wallet' on their phone but neither had used it. This was attributed to lack of experience rather than security concerns:

> Apple Pay? I still haven't been brave enough to use it.

A frustration voiced by all participants was the reliance on passwords and recall, and codes sent via SMS to validate transactions, in particular the size of the font and the short half-life of the SMS message. In any case, the participants were generally open to digital innovations despite their apprehension regarding mobile phone banking.

This inevitably raised the issue of digital education and the way forward. A worrying factor is that older people rely heavily on family support to fill the knowledge gaps – often leaving them more confused and frustrated. Receiving hands-on advice coupled with one-on-one training by a professional used to teaching older people was the preferred option. Technology courses were often either "too basic" or with "instructors too busy being clever showing off [their] skills." A former teacher noted that "a good teacher is at the level of the pupil and stays there."

The future of banking

The focus group participants were strongly of the view that the immediate future is online banking and banking on home computers. However, the possibility of including human contact and having a face-to-face banking platform was strongly endorsed (e.g. video banking). A future which included automated banking systems such as avatars and banking bots was not endorsed –there was no appetite for 'human replacement'. Notably, focus group participants expressed anxiety that older people might be excluded from the fast-changing digital banking world, impacting negatively on their financial wellbeing.

CONCLUSION

THE FINDINGS REVEAL THAT MOST INTERVIEWEES WERE COMFORTABLE USING THE INTERNET INCLUDING ONLINE NAVIGATION AND BROWSING. ALTHOUGH AWARE OF ONLINE FRAUD AND SPAM, INTERVIEWEES WERE LESS SURE ABOUT VIRUSES, PHISHING, CYBER SECURITY AND HACKING.

Only a few expressed privacy concerns when using the Internet. Most of the interviewees did the majority of their banking online, which was predominantly undertaken on laptop and tablet devices. Interviewees found online banking sites easy to use and expressed a high level of trust in online banking practices. Some did use their local bank branch to deposit money, resolve problems and seek information, and where interviewees did exclusively use their local branch for banking, this was mainly because of security concerns and unfamiliarity with computers and the Internet.

Most interviewees liked using credit and debit cards for purchases including tap and go. Only a few preferred to use cash which was generally confined to small purchases such as payments at coffee shops. Cash for the black economy was recognised as a need.

For many interviewees, getting a receipt was 'ingrained' and was a commonly reported method for budgeting and reconciling online bank statements.

COVID-19 has had little impact on changing banking practices as most older interviewees were already using digital banking methods.

As expected, the main issue faced by the interviewees with hearing loss were those banking activities involving voice communications, whereas working from screens (and especially font size) was the greatest concern for those interviewees with vision impairment. Interviewees with hearing loss were all avid online banking users as it minimised the requirement for voice. Online banking was a major and almost unsurmountable challenge for interviewees with vision impairment, who relied heavily on third parties for assistance.

Interviewees were cognisant of the impact that the closure of local bank branches has had on local communities, which they found regrettable. Many suggested that banks should play a greater role in communities, through an increased level of local services.

The future of automated systems, including artificial intelligence (AI), avatars and bots was not endorsed by interviewees who placed a strong emphasis on the importance of human interaction in current banking practices.

POINTS OF CONSIDERATION

> There is a concern among older Australians regarding how best to support those who struggle with online banking. They acknowledged that some will not have the skills to do online banking and in some situations, would need a third party independent of family or friends to take on this role. As yet, no such professionals exist. They also acknowledged that some older Australians would benefit from training programs but that this needs to be undertaken using a teaching model which can work with older Australians at their level of understanding.

> Older customers with vision impairment would benefit from the option of a simpler online banking interface, where changes to that website interface are minimised. They would also benefit from EFTPOS machines with a larger user interface. Older Australians with movement problems and poor hand control also expressed a similar request.

> Older customers with hearing loss were concerned about the way in which banking staff communicate with them. To this extent it will be useful to initiate workshops with banking staff to understand and enhance communication style to support these customers.

> It would be useful to have a reference group of older Australians with lived experience to inform the development and implementation of new technologies.

> Older Australians are not well informed about online security. This may be partly addressed by education programs but not entirely. Alternatives may need to be explored and establishing an expert panel together with a representative group of older Australians to inform online banking security may be informative. Alternatively, there may be a technological solution, such as a dedicated Internet enabled tablet device that is restricted to only online banking services (i.e. a one app device).

> Alternate methods of providing face-to-face banking services may be worth exploring including mobile banks and pop-up banks in shopping malls and video banking facilities.

INTERVIEW QUESTIONS

01. Demographics

- Is your age between 65-80 or over 80?
- What is your highest educational background – school, tertiary, professional qualifications?
- What is your working background – technology, finance and banking, or something else?
- Do you live in your own house, rent or unit/retirement village?
- Are you still working and/or do you do any voluntary work? Hours per week?
- Does (did) your work/voluntary work require computing/finance skills? Yes/No?

02. Digital literacy

- Do you use the Internet? (If yes: do you connect to the Internet at home, on your smartphone or do you go somewhere else to connect and if so, where?)
- Which of the following do you have, and can you explain the difference between them?
  – Wi-Fi
  – broadband
  – NBN
  – modem
- What devices and applications (apps) do you have if any?
- How about your understanding of:
  – SMS
  – chat functions on websites
  – connectivity
  – URL (Uniform Resource Locator)
  – hardware
  – software

03. Connectivity and websites

- What issues do you have using digital technology and how do you deal with them?
  – slow computer speed
  – blank screen problems (i.e. dark or red?)
  – small font sizes (is the size of the letters too small?) (use iPad not phone; use capital not normal text)
  – mobility – using mouse/keyboard
  – remembering what to click on
- Do you use social media, i.e.: Facebook, Twitter, LinkedIn, Instagram?
- Are some websites easier to navigate and more user friendly than others and which ones and why? (prompt)
  – bank websites
  – MyGov – the government website
  – phone/utility/health insurance providers
  – social media sites

04. Internet security in general and how to deal with it

- What security issues are you aware of and have you personally experienced any of these issues and if so, what did you do (ignored/deleted/asked someone for advice)?
  – spam/phishing
  – hacking/cyber attacks
  – viruses: malware, trojans, spyware
  – firewalls
- Are you worried about the privacy of personal information, why?

05. Technology updates and upgrades

- How do you keep up to date with digital technology, for example upgrades, and do you find the process easy?
- How about after any updates – getting used to new features and new screen settings?

06. Information

- Do you have trouble finding information on the Internet?
- Is there too much information on the Internet?
- Do you sometimes miss information on the Internet or important messages?
- Is dealing with different Internet sites overwhelming for you at times?

07. Banking practices

- To what extent do you use Internet banking or mobile banking (using a smartphone or a tablet) for accessing your bank accounts?
  - (if use) Which features of Internet/mobile banking do you like or dislike that make it easy or hard?
  - What about the chat functions available on banking Internet sites?
  - What improvements could be made for those with bad eyesight or other impairments?
- Do you trust the Internet when doing your banking and how comfortable are you? Why?
- How confident are you with digital technology and using the Internet for banking?
- What about using the phone for banking – either automated phone banking services or talking to a banking consultant on the phone?
  - Do you have trouble pressing the buttons to get through (sight/mobility)?
  - Do you have trouble hearing once through?
- To what extent do you use ATMs and why?
- Do you visit a bank branch in person and why?
- Does a family member/friends/support person ever help you do your banking?

08. Payments

- Do you prefer using cash to pay for things or prefer digital payments/debit or credit cards?
  - Why do you like using that payment method?
  - (if using digital payment) Have you experienced running out of battery on your phone?
  - (if not covered in (a)) Do you like using tap and go?
- Do you like getting receipts for things you pay for and why?
- For budgeting, how do you keep track of your money?
- Do you have trouble remembering your passwords or pin numbers?
- Is there too much banking jargon when you deal with banks?
- Should banks assist people with their Internet or mobile banking, and if so, how? (show you how to use it, ensure that you understand the safety and security issues, or educate you about scams and viruses, etc?)

09. COVID-19

- In general, since COVID-19, are you using technology more and for what? (Staying in touch with friends/family, banking, paying bills, My Gov, medical appointments?)
- What changes have you made since COVID-19 regarding banking and why?
  - Totally online/visit branch/go to post office
  - Have these changes been good or bad?
- Since COVID-19, have you discovered new ways of doing things, new apps or websites, or purchased any new devices? Why?

10. What would encourage you to use Internet/mobile banking more?

11. Any other suggestions or ideas for helping with the use of modern technological banking practices?