

African Bank Limited press release

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Banking today is smarter than Millennials think

Up-and-coming young people in the 22 to mid-30s age bracket are part of a unique generation the world has come to know as Millennials.

George Roussos, Group Executive of Digital and Transactional Banking at African Bank points out that this age group has also been called the *Boomerang Generation* because of a tendency to move back in with their parents due to money constraints.

“Sadly, Millennials are not known for their financial savvy. In fact, research indicates the majority of Millennials need better debt management and have little interest in personal banking,” he says.

“Due to high levels of unemployment, low-paying jobs and a lack of skills, many are also of the view that they will not be able to find a good job, buy a house or retire until much later in their lives than their parents did.

“This does not, however, have to be a young person’s reality simply because they think banking is too much of a hassle and they ‘don’t have any money to save or invest anyway’. There is a lot of value in saving and investing for your future.”

The reality is that big decisions regarding money can come around far quicker than most young people would like to believe - like having to buy a car, a home or take out a student loan. How prepared will they be when that day comes?

Roussos says if you get the right advice, about things like how to open a new bank account online that offers you good savings and investment opportunities, banks with lowest fees, where to find South Africa’s best fees and why interest rates are important, you will be in a good position to meet such big financial commitments.

“At African Bank we recognise that Millennials did not grow up standing in a bank queue - they grew up online with a phone or computer in front of them. So, it stands to reason that this generation is used to - in fact, demands - flexibility and is seeking easy solutions to complex issues, like money.”

Millennials want to carry out their banking activities with minimal fuss and they routinely rely on technology to help them do it. An international study from Jumio and Javelin Strategy & Research showed that 47% use mobile banking - just over twice the number of Baby Boomers who bank via their mobile device. It found that Millennials are logging into their mobile banking apps most often to schedule person-to-person money transfers; transfer funds between accounts and check their transaction history.

This is why, Roussos says, Africa Bank’s unique Omni-channel banking platform is popular with customers who want to bank anywhere at any time.

He explains that through the Omni-channel a bank account can be opened and managed on all digital devices and through all the bank's channels including in-branch and via contact centres.

“Our always-on-the-go Millennials will find banking a breeze through using our website, banking app, cell phone banking, branches or contact centres to open the best savings account in South Africa - offering South Africa's lowest banking fees - or conduct any other interactions they need to with the bank.

Banking today is all about convenience and how much more convenient than being able to start an activity in one channel, go off to the gym or movies, and then seamlessly switch to another to complete the transaction when you're free again?”

Roussos says with all the recent entries into the banking sector, competition is stiff and it is important to realise that Millennials preference for mobile banking can be fickle when its performance is lacking. “We know that this group will without hesitation abandon mobile banking activities when they take too long. Compared to Baby Boomers and Generation X, millennials were more likely to bail on mobile banking when it proves to be inconvenient. They will also easily switch banks for higher interest rates and benefits and opt for no-fee banking where possible.”

African Bank's Omni-channel philosophy provides all of the above but also recognises the human element as being at the core of banking. “Even though banking through an app has become the default for many customers, there remain many who still value the personal touch, especially for more complex transactions. As we continue to make progress in digitising our customer experience at African Bank, we remain cognisant that Omni-channel includes the critical human side of the equation and this may appeal particularly to our millennials,” concludes Roussos.

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