



Securing most trusted relationship status: a pillar for future growth in banking

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Executive summary

In a time when traditional sources of competitive advantage for financial institutions are eroding, trust is becoming the most valuable currency in banking. As customer expectations shift toward hyper-personalized, digitally enabled interactions in all aspects of their financial lives, community and regional banks have a unique opportunity to provide core benefits enabling them to personify the most trusted provider relationship in meeting their customers' needs.

Insights from our proprietary NextWave research conducted over the last three years, as well as numerous market engagements across the country, have led to a strategic vision and practical roadmap that will enable financial institutions to distinguish themselves from other providers of services to consumers.

Four core competencies materially contribute to financial trust and serve as a pathway to creating a deeply personalized, always available, digitally enabled relationship framework delivering value constellations individually tailored to market demand.

The value constellation competencies that secure the most trusted relationship foundation for a financial institution are:

1

Digital payments:
embedded capabilities to facilitate and accept payments supporting personal and professional needs

2

Liquidity access:
consumer guidance on planning for and having access to financial services and products that enhance liquidity and deliver control for the planned and unplanned

3

Digital identity:
a financial institution's ability to seamlessly safeguard and present consumer identity across an ecosystem of access, verification and decisioning needs

4

Personalized financial ecosystem:
tailored digital experiences and tools providing individualized access, guidance and fiduciary services meeting individual consumer needs across the moments that matter.

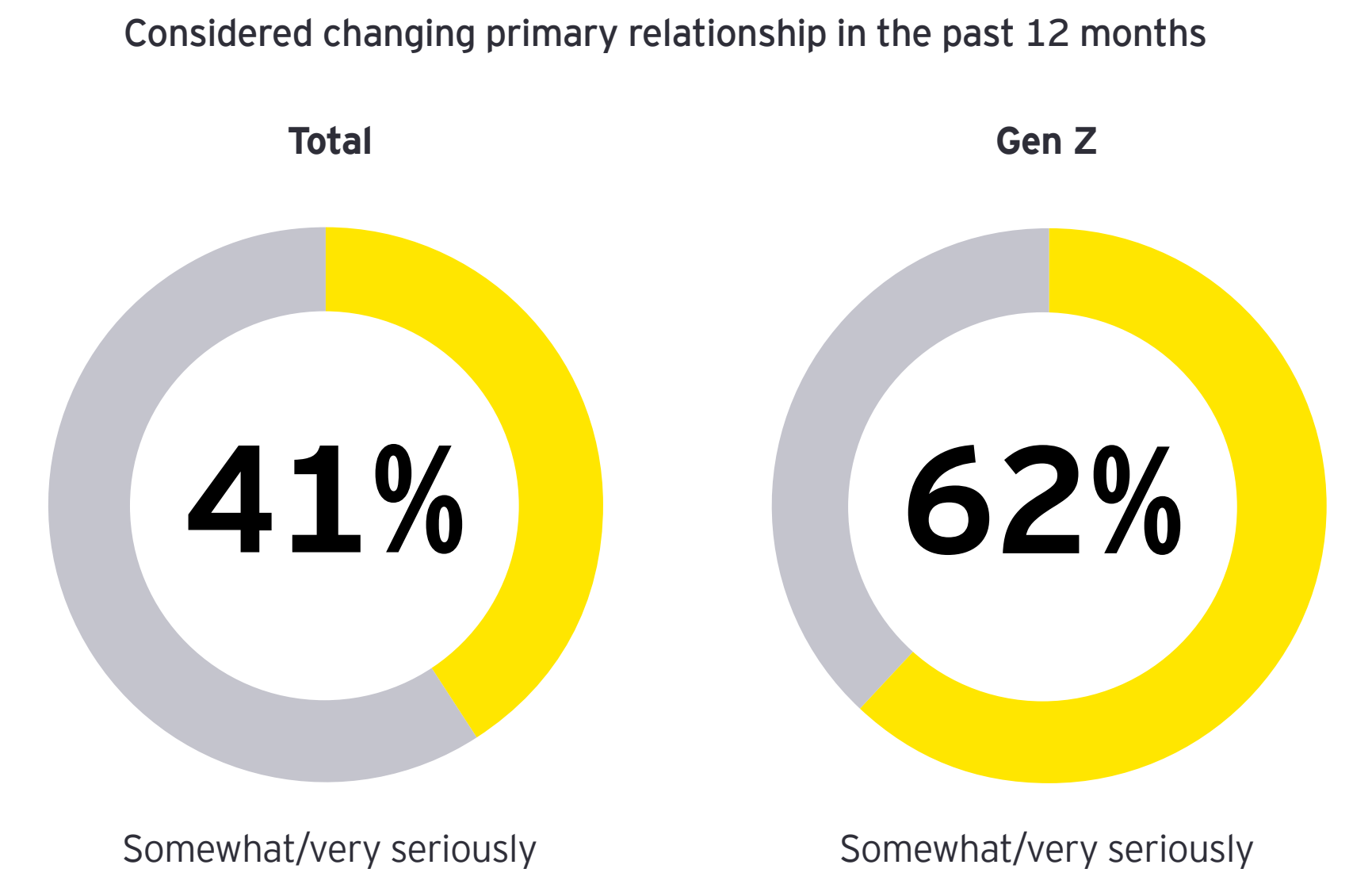
A market ripe for change where trust is at a crossroad

Once defined by brand strength, physical presence and market experience, the financial services sector is experiencing profound disruption. Technology has enabled disruptive access to curated information and self-service decisioning more than at any time in the past three decades. The industry now pivots around digital agility, meeting point-in-time consumer demand and always-on availability.

Where consumers used to plan their financial decisions around the availability of their financial planner, expectations for fiscal knowledge and access are now real time and on demand. Consumers are racing toward more curated, connected and personalized value ecosystems to enable informed choice and action in every aspect of their lives. This accelerating trend is creating a new competitive paradigm for community and regional financial institutions where expectations now demand always-on availability with financial access a swipe and click away.

Consumers are no longer singularly tied to large, tier-one institutions. According to our NextWave research, the average consumer has four to five financial relationships with 64% willing to switch a deposit account relationship in favor of another better suiting their needs. Overall, 41% of consumers have considered changing their entire primary banking relationship within the last 12 months. Among Gen Z, who primarily bank digitally, this ratio is even higher at 62%. Expectations for institutions to deliver self-service digital banking capabilities are also increasing. On average, more than 65% of the market wants to conduct investment research, aggregate accounts, make investment decisions and manage their financial wellness independent of their primary financial institution relationship.

Consumers are willing to switch primary bank relationships, especially Gen Z consumers



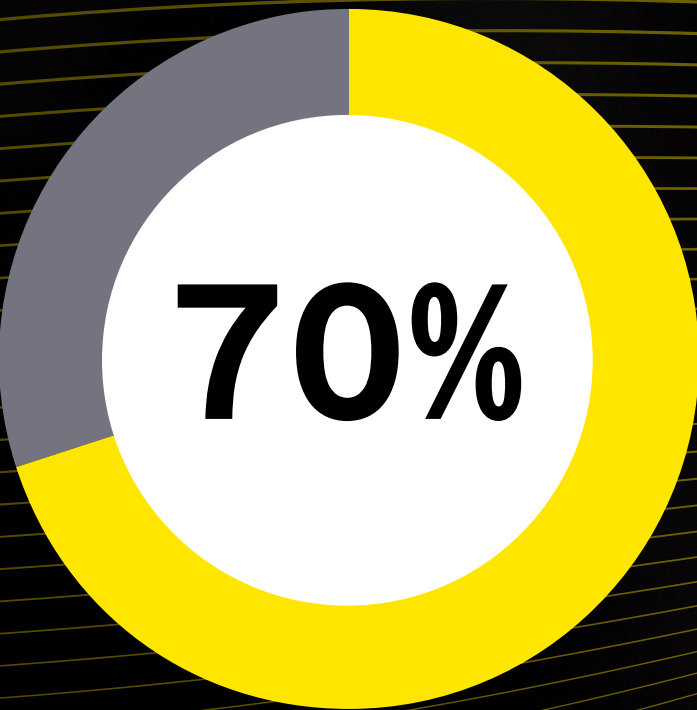
Source: EY NextWave Consumer Financial Services research.

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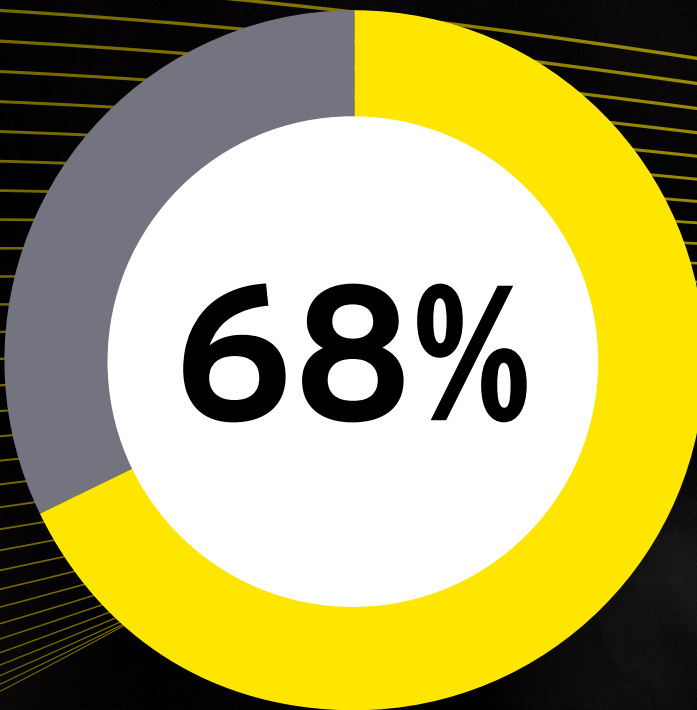


Source: 2024 EY NextWave Consumer Finance research.

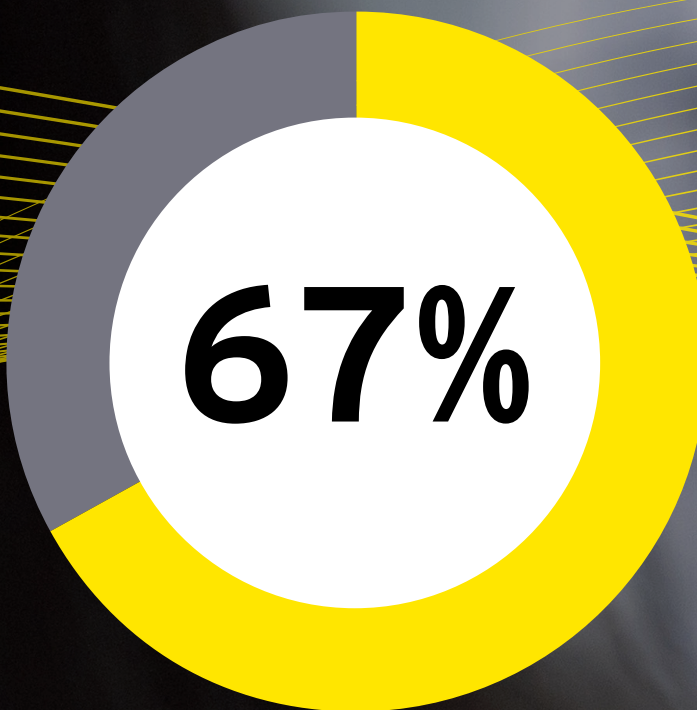
Technology plays a central role in enabling this transformation and AI is gaining increasing acceptance:



■ **70% of consumers** are comfortable with AI resolving customer service problems based on a financial institution's knowledge of their personal preferences and patterns



■ **68%** will accept AI-driven, financial planning guidance



■ **67%** will entertain AI-recommended transactions that would reduce debt

Source: EY NextWave Consumer Financial Services research.

Consumers now demand intelligent financial services that meet them where they are – digitally, contextually and emotionally – enabling their own personal financial operating system. Inherent in accessing this capability is an even deeper demand for trust, transparency and value.



Trust as the value constellation imperative in the AI era

Our recent market research underscores the importance of creating personalized value constellations that empower consumers to navigate their financial journeys. As community and regional banks and credit unions face increasing pressure from FinTechs and larger institutions, they must develop a growth acceleration blueprint that prioritizes digital transformation and consumer-centricity with trust as its fulcrum.

We believe “the most trusted relationship” is not just a customer service aspiration but a comprehensive destination – a new operating model that aligns every facet of the institution with the individual’s needs.

In practice, this means that a financial institution is equipped to meet its customers’ needs wherever they are, across any channel, in person or digitally. The financial institution can translate the totality of its lifetime experience with its client and serve as a personal financial copilot – offering the guidance, tools and services the client needs in a way that is seamless, human centered and digitally enabled.

This present-day mandate to compete and thrive can be achieved with the right growth blueprint to deliver institutional competencies that underpin financial trust and access.

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Four foundational competencies that build trust

1

Seamless digital payments

Customers expect speed, safety and transparency in every transaction. Delivering a next-generation payments experience – with appropriate guardrails – is a table stakes requirement. An institution's capacity to facilitate and accept payments must be multidirectional and open by design to easily integrate into the growing digital ecosystem of embedded pay now, pay later providers.

2

Access to personalized liquidity and guidance

Consumers want financial insight that reflects their real lives enabling confidence in fiscal self-determination. From budgeting tools to long-term planning advice, institutions must offer seamless experiences that are consistent across channels – whether with consultative advisement in branch or digital self-service at home.

3

Portable digital identity

Perhaps second only to one's personal health care record, the preservation and protection of our individual identity are held sacred by all and entrusted to few. Consumer preference for efficient identification is no longer an anticipated convenience but a mandated expectation. Repeated provision and verification of previously submitted identity factors is no longer acceptable. Financial institutions have singular access to the opportunity of safeguarding consumer identity and moving past identification and verification alone. With the right systems and operating models, they can evolve identity into secure digital relationship profiles that make their customers' lives easier. For this to occur, financial institutions must offer seamless, portable digital ID experiences and tools that reduce friction, increase personalization and enable secure self-management at every touch point.

4

Personalized financial ecosystem

This is the true nerve center of a consumer's financial life. It integrates daily money management, financial literacy, decision support and planning into a unified platform, empowering customers with clarity and confidence. By enabling personal financial decision-making tools, institutions can establish a strong fiduciary relationship with their customers. This approach fosters financial access, literacy and guidance, addressing customers' needs throughout various life events in a consistent and comprehensive manner.



Our research and recent work in the market outline four foundational capabilities that are essential to achieving trusted relationship status. These are more than one-time investments but ongoing competencies representing organizational commitment to customer excellence.

Value constellations: a sense of purpose

Together, these four competencies establish trusted value constellations, interconnected clusters of financial services that consumers can rely upon and trust to navigate the complexities of money management in their lives. Value constellations enable integrated access to ecosystems of products, services and experiences tailored to individual life events and goals. They connect offerings, insights and experiences in a way that feels organic – an intuitive extension of everyday living underpinned by security and trust.

Community banks and credit unions, long known for their personalized service, are uniquely positioned to deliver this and are standing at the threshold of opportunity. According to Edelman, trust in financial services has risen from 53% in 2021 to 64% now, marking a 20% increase over the past five years.¹ But delivering customer service requires intentional orchestration of capabilities across technology, talent and strategy.

Financial institutions can benefit from assembling these constellations by leveraging leading practices, market benchmarks, innovation frameworks and extensive provider ecosystem relationships.

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Our growth blueprint: six pillars for digital ecosystem growth

The four foundational competencies are the starting blocks on the journey to trusted value constellations. The path to their delivery is underpinned by **six growth pillars** that deliver the organizational scale and requisite operating models enabling sustainable digital relationship transformation.

1 Profitable growth

Fiscal approaches capitalizing on consumer trust and value that address FinTech alternatives, capital constraints and dormant or ill-funded accounts challenging profit models

2 Digital channel integration

A growing consumer expectation that is table stakes for Gen Z

3 AI adoption

Accelerating momentum for its acceptance across many aspects of financial self-service experiences

4 Privacy

A regulated concern that remains a key foundational factor for engendering trust

5 Digital identity

A critical capability for connecting value across diverse consumer expectations for connected financial experiences

6 Fraud

Necessary systems for guarding against new and emerging threat vectors enabled by AI to address this concern, which continues to be top of mind for consumers

Enabling each of these pillars requires that financial institutions embrace digital transformation to improve service delivery and operational efficiency. At their core, each pillar requires a new approach to technology for seamless service integration while enhancing customer experience.

As community financial institutions embark on their digital transformation

journeys, it is essential to recognize the challenges of executing these strategies effectively. The chief strategy officer of a top 25 credit union succinctly captured this sentiment: “One of the most important questions is the ‘how’ – how do we enable and accelerate change ... Moving from ambition to execution is often where organizations run out of steam.”

How financial institutions can jump-start their growth blueprint

The demand for personalization, speed and relevance is already reshaping the market. Institutions that wait may find themselves losing ground to more agile FinTech and digital-first banking service providers. This is not a slow-moving trend, and the need for actionable steps to bridge the gap between vision and reality has never been more imperative.

By addressing these challenges and embracing digital transformation head on, community financial institutions have a unique opportunity to build trust, foster deeper relationships and deliver on their promises with their customers. The use of a blueprint for the future of banking is essential to growth and resiliency in the market.



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AUTHOR



Edward Sander

Principal, EY Global and Americas Nexus Financial Services Leader
Ernst & Young LLP
edward.sander@ey.com

CONTRIBUTORS

David Kaiser
Senior Manager
Ernst & Young LLP
david.kaiser@ey.com

Matthew Per
Senior Manager
Ernst & Young LLP
matthew.per@ey.com

¹ “2025 Edelman Trust Barometer,” Edelman Trust Institute, 2025.