

6 Financial Services Trends to Watch in 2023

1 **The competitive landscape will continue to evolve**

PREDICTION:

1000%

increase in embedded finance segment by 2025¹

161

net bank branches close each month²

PRESCRIPTION:

Innovate continuously to keep pace with competitors and keep consumers happy.

2 **Consumers will demand better experiences**

PREDICTION:

70%

of consumers claim they would switch banks for a better digital experience³

40%

of consumers have conducted their life insurance shopping online⁴

PRESCRIPTION:

Offer customers mobile-friendly and digital self-service solutions that provide access to their financial lives anytime, anywhere.

3 **Back-office efficiency will improve through seamless integration and automation**

PREDICTION:

83%

of banks list data and analytics as a top investment priority⁵

41%

of insurance agencies cite dealing with multiple carrier interfaces as a challenge⁶

PRESCRIPTION:

Automate critical processes, integrate systems and move the tech stack to the cloud to compete in the digital-first marketplace.

4 **ESG and sustainability will stay in the spotlight**

PREDICTION:

41%

of global banking executives cite ESG among their organizations' most significant opportunities⁷

60%

of Gen Z and millennial consumers would switch to institutions with better ESG standards⁸

PRESCRIPTION:

Track and measure ESG impact and investments as regulatory scrutiny rises.

5 **Cybersecurity and fraud risks will continue to grow**

PREDICTION:

2nd most

data breaches across all industries for financial services in 2022⁹

41%

increase in the number of victims impacted by data breaches in 2022 over 2021¹⁰

PRESCRIPTION:

Implement tight access controls, strict authorization protocols, monitoring tools and encryption technologies to protect sensitive information.

6 **Increasing regulation will continue to make compliance a top priority**

PREDICTION:

79%

of banks anticipate increased regulation in 2023¹¹

\$6.5 Billion

in fines levied on advisors and broker-dealers by SEC¹²

PRESCRIPTION:

Meet compliance requirements by creating an audit trail to deliver disclosures and employing powerful data analytics tools to address contract risks and obligations.

Now's the time for financial services organizations to implement superior document processes and invest in new technology to meet evolving customer expectations.

For more information, check out our [6 Financial Services Trends to Watch in 2023](#) blog post or visit our [Financial Services](#) site.

¹ 2023 banking and capital markets outlook, Deloitte.

² US bank branch closure activity slows further in January, SP Global.

³ Addressing banking's key business challenges in 2023, BAI.

⁴ Insurance Trends and 2023 Outlook Report, TransUnion.

⁵ Digital Banking Transformation Trends for 2023, Financial Brand.

⁶ Findings from the 2022 Agency Universe Study, Independent Agent.

⁷ Predictions for ESG in 2023, Insider Intelligence.

⁸ Addressing banking's key business challenges in 2023, BAI.

⁹ US Most Impacted by Data Breaches in the Financial Industry in 2022, Infosecurity Magazine.

¹⁰ Identity Theft Resource Center's 2022 Annual Data Breach Report Reveals Near-Record Number of Compromises, ITRC.

¹¹ Addressing banking's key business challenges in 2023, BAI.

¹² SEC levies record \$6.5 billion in fines in 2022, Financial Planning.