

News Release

3 July 2017

Education Key to Tech Adoption in Singapore: HSBC report

- 86% of Singaporeans see security of personal data as paramount
- Yet 64% rely on traditional passwords or pins to secure their electronic devices
- Only 9% of Singaporeans prefer to use banking apps via smart phone to manage their money

While Singaporeans believe that technology will make their lives better and simpler, and are mostly open to new and innovative technology, they display a cautious attitude towards adoption especially in banking, according to a HSBC report. The report found that education and a joined-up industry approach with regulator involvement will smooth the passage of adoption.

The global research report, *Trust in Technology*, questioned 12,000 people from 11 countries about their attitudes towards technology and banking. Amongst those surveyed were 1,003 people in Singapore.

Of note, the report found that 21% (Global - 28%) of Singaporeans would trust a remote-controlled robot operated by an experienced surgeon to perform an open heart surgery, yet only 7%, similar to their global peers, would trust a robo-adviser programmed by humans for advice on a savings account.

Singaporeans open to innovation in future

Despite a general comfort with current technology and recognition that it will help make their life easier, this does not necessarily extend to banking for Singaporeans today.

The research shows that while 66% currently use online banking, the uptake for newer experimental banking is lower. Only 9% surveyed prefer to use banking apps via their smart phone or tablet to manage their money which is below the global average of 13%.

Anurag Mathur, Head of Retail Banking and Wealth Management at HSBC Bank (Singapore) said: "Trust in technology is built over time and is based on hard evidence and experience. Caution is further amplified when money is at stake and Singaporeans have traditionally valued stability and security in banking, although they are open to change."

Lack of familiarity and fears around cyber security holding Singaporeans back from adoption

While tech-literate, Singaporeans are particularly concerned with cyber security and are slow on the uptake of new technology largely due to a lack of understanding on how to combat cyber risks.

The report finds that 73% (Global: 56%) of surveyed Singaporeans are extremely or very concerned about personal data leakage. Yet, Singaporeans continue to rely on traditional password and numerical pins (64%) rather than other more secure mechanisms to secure their electronic devices.

"What we have here is a catch-22 because when it comes to banking technology, trust has to be earned and this is solely driven by familiarity with new technology which is low. Similarly, consumers see security of finances as paramount but they are still relying on antiquated security that emerging technology will help overcome."

"What this indicates is that increased knowledge and understanding around new technologies' security and predictability is essential to building trust and accelerating adoption."

PUBLIC

Issued by HSBC Bank (Singapore) Limited

21, Collyer Quay, #13-02, HSBC Building, Singapore 049320
Company Registration No. 201420624K
Web: www.hsbc.com.sg



Singaporeans' trust in regulation will help shepherd them into stronger adoption in future

While current adoption remains muted, Singaporeans are more open to adoption in future largely based on their high trust in the ability of institutions to oversee the transition in a responsible and safe way.

Although only 24% currently use fingerprint recognition as a method of identification, 47% agree that fingerprint recognition would be the top trusted replacement for their passwords. Similarly, 51% believe that the future of identity recognition will be entirely biometric-based within 10 years. They believe biometrics such as fingerprint recognition and facial coding will be used to access their financial information.

Regulation plays a role in guaranteeing consumer faith in banks when introducing new technology with 75% of Singaporeans saying it is essential or very important that new technology is regulated for security.

The Singapore government's early push under its [Smart Nation Initiative](#) to encourage digital innovations has created a conducive environment for such discussions on a public scale. An example was the recent launch of PayNow, a common payments system that allow customers of various partner banks to transfer money using their mobile numbers or National Registration Identity Card number.

Mr Mathur continued: "The Singapore government's recognition of the importance of financial technology in maintaining its status as a regional financial hub means that a lot of effort is being put in place to support innovation in the financial services. Singaporeans' open and positive attitudes towards innovation in future is a reflection of the government's efforts in embracing technological changes."

Banks have an important role to play in bridging the understanding

The research found that if banks can present new technology in a way that is accessible and easy to understand, it will help with the adoption of technologies in Singapore especially when it offers a more secure banking and customer experience.

One in two (51%) also believe that banks providing more tech-based services will lead to better customer service.

Mr Mathur concluded: "Digital technology is rapidly evolving and customers are now able to bank more simply, quickly and in the most secure way possible. While Singaporeans place huge value on the security of their personal data, they have been slower to adopt new technology to protect their information. Banks have a role to play in building our customers' knowledge and trust so that they see the value to their lives in adopting a new payments app or the latest biometric security."

To download the [Singapore](#) report, click [here](#)

To download the [Global](#) report, click [here](#)

Ends / More

Trust in Technology – Singapore (Infographics)

To understand trust in both an everyday as well as financial context, we asked people who they would be willing and most likely to trust in different scenarios.

A mixture of traditional and tech options were provided to measure whether robots/chatbots are more likely to be trusted in some situations over others and to also understand views within a banking context.

Open heart surgery 	Skydiving 	Expert and impartial advice on a savings account 
<p>75% would be most willing to trust a surgeon with at least 10 years experience</p> <p>21% would trust a remote controlled robot controlled by an experienced surgeon</p> <p>8% would trust their family (supervised by a surgeon)</p> <p>5% would trust their friends (supervised by a surgeon)</p>	<p>56% would be most willing to trust the instructor who is with them</p> <p>13% would trust a pre-programmed release mechanism</p> <p>47% would trust themselves</p> <p>5% would trust someone with a remote control on the ground</p>	<p>35% would be most willing to trust themselves</p> <p>7% would trust a humanoid robot programmed by experts</p> <p>33% would trust their family</p> <p>19% would trust their friends</p>

Media enquiries

Betty Fong, HSBC Singapore +65 6658 4103 / +65 9712 8597 betty.c.y.fong@hsbc.com.sg

Notes to editors:

Trust in Technology is a seminal piece of global thought leadership into global technology perceptions and habits, conducted independently and commissioned by HSBC. It provides authoritative insights into people's perceptions of technology, their current uses and how they expect to use digital services in the future, around the world.

The study represents the views of 12,019 people from 11 countries and territories: Canada, China, France, Germany, Hong Kong, India, Mexico, Singapore, The United Arab Emirates, UK, and the US.

Populus conducted the qualitative research in March and April with 66 members of an online community, including six members from each of the 11 nations in question. All respondents answered all questions and their contributions have been made available separately for use in the media. Populus also consulted twice with a panel of experts to research in-depth opinions and expertise on the topic.

Ipsos MORI conducted quantitative research with over 12,000 participants in total. 2,000 of those participants were from the UK and 1,000 participants came from each of the remaining countries. The quantitative findings are based on a nationally representative survey of people of aged 18 and over in each country, and the research was conducted in March/April 2017.

For more information about Trust in Technology visit www.hsbc.com/digital-and-innovation

HSBC Singapore

HSBC Group's history in Singapore dates back to 1877 when its founding member, The Hongkong and Shanghai Banking Corporation Limited, opened its first branch on the island. A qualifying full bank, HSBC in Singapore offers a comprehensive range of banking and financial services including retail banking and wealth management; commercial, investment and private banking; insurance; forfaiting and trustee services; securities and capital markets services. One of the earliest banks to establish in Singapore, HSBC today is a prominent player in Singapore's financial services sector serving the banking needs of multi-national corporations, home-grown businesses, private banking clients, institutional and retail customers. In May 2016, HSBC locally incorporated its retail banking and wealth management business in Singapore and established, HSBC Bank (Singapore) Limited. Till this day, HSBC's flagship office remains at the original Collyer Quay site where its first branch was set up. HSBC Singapore has a retail network of 11 branches (of which 9 are dedicated HSBC Premier Centre) and many locations across the island providing self-service terminals.

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves more than 37 million customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. The Group serves customers worldwide from around 4,000 offices in 70 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,416bn at 31 March 2017, HSBC is one of the world's largest banking and financial services organisations.

Ends/All