

# 7 FinTech Trends for 2023



# Introduction

Every year at Catalyst UX we do a round up of what we see as the top UX trends. Our picks are based on the experience we have with our clients in FinTech.

Largely UX trends are driven by macro changes in technology, hardware, environment and how users respond to these. This year, we also see impacts due to the economy and funding. According to CB Insights, Q2 of 2022 saw the lowest fintech funding since 2020.

How does this impact product investment you might ask? The answer is a focus on profitability and customer retention. Interestingly, UX design can positively impact customer retention. When we make it easier for users to interact with our business or applications, they are more likely to stay. See how some of these trends relate to that idea.

## #1

### Simplification

The more convoluted an application, the harder it is for users to interact. This is equally important, if not more so, when it comes to Fintech solutions. The overload of data can result in a busy, cluttered application. A clean and simple design helps reduce the cognitive load on users. Simplification can come from removing repetitive operations, distractions that ruin the user's concentration, and an overwhelming multitude of choices.

## #2: Mobile-Only Solutions

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If our goal is to retain customers, we need to meet customers where they are—and often that is banking on their mobile devices. Over the past decade, there has been a huge consumer preference shift to mobile devices. In fact, Insider reports that the number of digital-only bank account holders will surge to 53.7 million by 2025. With mobile-banking on the rise, it has never been more important to use mobile appropriate functionality. Mobile Fintech solutions provide users with a more fluid experience and allows them to perform all banking activities at the touch of their fingertips.

## #3 Personalization

When it comes to retention, personalizing the customer experience to map to the user's need is paramount. In particular, the rise of open banking, access to data, technological innovation, and the need for companies to stand out is driving the demand for personalization. Today, however, personalization is going beyond just navigation and customizable dashboards, but also providing predictive recommendations and hyper-personalization (e.g., recommending which credit cards/subscription services a user should cancel or consolidate).

## #4: Adaptive AI

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Artificial intelligence has long been used by fintech companies. That said, financial institutions are moving toward implementing adaptive AI or models that self update over time and with new data (think how Equifax uses self-updating modeling to fully optimize as the economy and consumer behaviors change). In fact, Gartner predicts that by 2026, companies that use adaptive AI will have a 25% advantage over competitors using conventional earlier AI models. As we think of how to stand out competitively, it's worth thinking of adaptive AI and its use case in your sector.

## #5: Unique product branding

Too many financial solutions focus solely on functionality and ignore creating an application that provides an entire brand experience. Having a unique product identity helps users recognize the importance of managing finance in a swift and fluid process. Users instantly flock towards finance management tools that are more welcoming, less cramped, and cause the least amount of unwanted information overload. These features make financial solutions more enjoyable and, in turn, boost engagement and customer loyalty.

## #6: Financial Service Aggregation

With the shift to exclusively banking via mobile devices, more and more consumers are looking for all-in-one solutions that cater to all their financial needs. Many current personal finance applications provide much more than simple monetary transactions through the use of third-party integrations. Consumers are met with access to a wide range of financial services directly from their mobile devices. Providing one solution that does it all allows companies to cover a greater market, gain competitive advantage, and centralize their services.

## #7

### Interactive data visualizations

Whether it be monthly earnings, spending habits, or bill payments, every Fintech solution has lots of data to present to users. Visually meaningful charts and graphs allow users to have a better understanding of their earnings, expenses, and the relationship between them. While many Fintech companies are already utilizing data visualization, solutions can offer users more in the form of interactive and predictive dashboards. This form of data visualization goes beyond simple reporting, using past habits to inform future purchases. With interactive data visualization, users gain more value from the data presented.

To make sure you're well positioned for 2023, we're offering a FREE UX design review. If you're updating your software in the next year, this is the perfect way to get started. We'll help you identify the top UX refinements that will help you take advantage of these trends. Email us at [business@catalystux.com](mailto:business@catalystux.com).