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Global study on trust & tech: Canadians twice as likely to trust a robot to perform open heart surgery than to open a bank account for them

- *87% of Canadians own a smartphone – the smallest percentage across all 11 markets surveyed*
- *7% of Canadians believe money transfers via brain signals will be available in the next year*
- *Complete Canada report available at www.hsbc.ca/newsroom*

People in Asia and the Middle East are more optimistic about the positive impact of technology and as a result more likely to place trust in new technologies compared to their western counterparts, a multinational survey from HSBC has found. Of note, just over half (**56%**) of Canadians say they believe that advances in technology will make the world a better place – the second least likely of all markets surveyed – compared **89%** of respondents in China, and **85%** in India.

This, according to HSBC's *To Trust in Technology* report, a new global study based on responses from 12,000 people from 11 countries and territories that explores the level of trust in biometric security, attitudes to radical new financial services, and what people really feel about entrusting our lives to robotic intelligence.

“With each new piece of technology the same fundamental question arises: can it be trusted? Price and availability matter, but nothing is adopted unless the intended user feels able to trust it,” **said Larry Tomei, Executive Vice President and Head of Retail Banking and Wealth Management, HSBC Bank Canada.** “And while those in Canada may be more resistant to change than their eastern counterparts, the research also points to the huge potential of educating people on upcoming and existing technologies as Canadians are amongst the most likely to respond positively to education around biometrics – like touch and voice ID.”

Key Findings for Canada:

- 1) **Getting touchy about tech:** The accelerated adoption of fingerprint recognition, a widespread consumer technology, highlights the contrasting perspectives of east vs. west. The Chinese (**40%**) are the highest adopters of the technology, with India (**31%**), and the UAE (**25%**) second and third globally. At the other end of the scale, just **14%** of people in Canada – *the lowest across all markets surveyed* – have used fingerprint technology to identify themselves.

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- 2) **Blink once for savings, blink twice for chequing?** Two thirds of people globally think money transfers via brain signals will be available in the future. Further, **8%** of people in France, **7%** in Canada, and **5%** in Germany say they think that technology enabling brain signals to transfer money will be available in the next year. In the East, **20%** of people in India and **15%** of people in China, and **13%** in Singapore think that this technology will be available within the year.
- 3) **Technology-shmeckmology?** Canada is one of the less positive nations towards innovation, with only **56%** of respondents believing that advances in technology will make the world a better place (global average: **74%**). In fact, uptake of smartphones is the lowest in study, with only **87%** ownership. Conversely, respondents in Canada were among the most likely to put their trust in human to human relationships. Seventy-four per cent will trust a person until it is proven that he/she cannot be trusted. There is also a strong level of trust in the self – **80%** of people trust themselves to make the right decisions.
- 4) **Siri, Alexa: what's my investment risk tolerance?** China (**44%**) and India (**38%**) are the most likely globally to trust robo-advisors. In contrast, just **7%** in Canada, **6%** in Germany and **9%** in the UK are likely to trust recommendations based on AI algorithms. Further, **36%** of people in China would use a chatbot to receive money advice, compared with **8%** in Canada, **6%** in Germany and only **8%** in UK.

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Notes to Editors:

1. *Trust in Technology* looks at 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 research represents the views of 12,019 people from 11 countries and territories: Canada (1,001), China, France, Germany, Hong Kong, India, Mexico, Singapore, The United Arab Emirates, UK and USA.

Populus conducted qualitative research in March and April with 66 members of an online community, including six members from each of the 11 nations, and all respondents answered all questions. Populus also consulted twice with a panel of experts to research in-depth opinions and expertise on the topic.

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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 an online nationally representative sample of people of aged 18 and over in each country, and was conducted from 24th March to 10th April 2017.

2. HSBC Bank Canada, a subsidiary of HSBC Holdings plc, is the leading international bank in the country. We help companies and individuals across Canada to do business and manage their finances internationally through three global business lines: Commercial Banking, Global Banking and Markets, and Retail Banking and Wealth Management.

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. 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 organizations.

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Trust in Technology

Introduction

Technology is advancing at an astounding rate. Financial services are being re-invented by new technology. Apps make it quick to send money and check accounts. Online consultation services, nicknamed robo-advisors, are bringing expert guidance on investment and pensions to a wider audience. With each new piece of technology the same fundamental question arises: can it be trusted? Price and availability matter, but nothing is adopted unless the target user feels able to trust it. But what are the factors which determine what we trust, and what we reject?

This report is an exploration of the state of trust in technology. An exclusive survey conducted for HSBC of over 12,000 consumers across 11 major economies looks at opinions on trust internationally. It reveals the level of trust in biometric security, attitudes to radical new financial services, and what we really feel about entrusting our lives to a robotic intelligence. Qualitative research drills deeper into individual perspectives.

The more technology enters our lives, the more critical the issue of trust becomes. A FinTech startup can't win customers without winning their trust. A bank can't keep customers without being trusted. In order to deliver life enhancing new products they need to know what trust is, and how to win it. This report offers some suggestions on how trust in technology can be achieved.

Country overview

The people surveyed in Canada lean towards the conservative side when it comes to trusting in technology. It is one of the less positive nations towards innovation, only 56% of respondents believe that advances in technology will make the world a better place. Uptake of smartphones is the lowest in study, with only 87% ownership.

Conversely, respondents in Canada were among the most likely to put their trust in human to human relationships. Seventy-four per cent will trust a person until it is proven that he/she cannot be trusted. There is also a strong level of trust in the individual and the self – 80% of people trust themselves to make the right decisions.

The research suggests an association in Canada between banking and lack of innovation – only 51% of people in Canada trust their bank to innovate to improve their service. However, this doesn't lessen their trust in the system, since they are the least concerned of those surveyed about their bank account being hacked (37%).

While they may be more resistant to change than some markets in the study, there is a huge potential within Canada to educate people on upcoming and existing technologies. The Canadian participants were amongst the most likely to respond positively to education around biometrics – a short explanatory paragraph saw the number of people who would most trust biometrics to confirm their identity increased by 10 percentage points.

This report identifies the key attitudes of people in Canada towards trust in technology, both in their daily lives and in managing their money.

56%
believe that advances
in technology will make
the world a better place

87%
smartphone
ownership



80%
trust themselves
to make the right
decisions

51%
trust their bank to
innovate to improve
their service

Hanging on to the human touch

- People in Canada continue to value and trust the 'human' feel that traditional banking techniques allow
- People in Canada do not believe many new forms of technology to be useful in a banking capacity
- However, they respond comparatively well to new technologies such as biometrics once they have been properly explained

Faced with the decision between human and machine, people in Canada are markedly united. When it comes to money, they are more trusting when interacting with a human. The vast majority (71%) believe that people are more likely to accept advice provided by a person than a robot when it comes to money management. Similarly, people in Canada use traditional methods to confirm their identity: 36% answer personal questions, and only 14% use fingerprint technology – among the lowest surveyed. Interestingly, they were more receptive to the idea of biometrics after having the technology explained to them in a human way.

People in Canada expect an above average level of empathy from their bank, particularly in times of difficulty. Far less concerned about data leaking or hacks, they are more likely to leave their bank if they are not compensated for stolen funds.

 **47%**
do not want their bank to offer investment advice via brain signals

 **18%**
believe that computer programmes provide more accurate advice than human advisors

 **63%**
would change their bank if they were not compensated after having money stolen

 **71%**
believe that people are more likely to accept advice provided by a person than a robot when it comes to money management

"Technology can build trust on one level. If you create something useful, that is seamless, that does things well and I can rely on it then that is brilliant. But the other form of trust is a human relationship which is a different form of trust." – Will Highams, Cultural Trends Expert

Happy with what we've got: content and unconcerned

- People in Canada are amongst the most satisfied with their current banking technology service
- They are the least concerned of those surveyed about their bank account being hacked, and amongst the least concerned about getting their personal data leaked
- Perhaps as a result of this, people in Canada appear uninterested in any significant change to banking technology as it currently stands

People in Canada are the least likely to consider the technology offered by their bank 'unreliable' 'old-fashioned' or 'overwhelming.' There is a sense of contentment, with 81% believing that their bank's technology is 'good enough for what I need it for.'

This satisfaction plays out when looking at the population's level of concern around issues like having their bank account hacked (37%) or personal data leaked (42%), where they rank among the least concerned. This relaxed attitude is mirrored by a lack of technological ambition. Just over three in five (64%) would not be willing to share personal information (eg name, address) with tech companies, even if it meant they could receive a better banking service.

 **8%**
in Canada described their bank as old fashioned

 **5%**
described their bank as unreliable

 **7%**
described it as overwhelming

 **16%**
are extremely concerned about a data leak - global average of 27%

"This kind of tech seems very invasive and oppressive. I'm not comfortable with giving out or using my fingerprint data; I would have a much more negative opinion of my bank and one based on fear and anxiety." – Conrad Kiezlo, Participant, Canada

Slow and steady wins the race

- There is a gap in attitudes towards technology between the East and West
- The opportunity for Canada to learn from other markets is increasing
- There is no clear impetus behind improving banking technology in Canada, but there is enormous potential to tap into new technologies once they are tried and tested

Uptake of new technologies appears slow in Canada, with the least number of people owning a smartphone of the markets surveyed (87%). This is compared to an average of 99% and 14% of people having used fingerprint technology to identify themselves.

There is a shift in perceptions required to educate people in Canada as to what can be useful from a banking technology perspective. Only 16% of people in Canada use a chatbot for financial advice, and respondents were among the lowest to believe that banks providing more technology services will have a better customer service (35%).

There is huge potential to educate people as to the benefits of banking technology, to increase interest, uptake and trust.

 87%

own a smartphone

 16%

use chatbots for customer service or advice

 45%

don't want their bank to offer finger chip payments

“When you think about today’s technology, things like washing machines, microwaves, coffee machines; most people understand how they work and so that removes one of the major barriers for trust. Whereas when it comes to things like robots and driverless cars the average person’s not going to understand them at all so that is going to make trust very difficult.” – Tom Bailey, Tech Expert

Concluding remarks

What comes next for Canada will be interesting to observe. If uptake of technology and trust therein is set to increase, an attitudinal shift will be required. A general lack of trust and positivity towards new technologies, both within the banking sector and outside it, will likely hold back progress in Canada compared with fast-moving and highly trusting Eastern nations.

The question is how to educate the market about technology in a way they will be receptive towards. Ironically, this may well require an initial human intervention. The evidence from the research suggests that the most effective way of interacting with people in Canada may be human to human or even face to face.

What is promising is the lack of worry and scepticism around data security amongst people in Canada. New technologies must serve to perpetuate this state of mind. One way of ensuring successful integration may be to first introduce technologies which are clearly not replacing a human role e.g. biometrics for security, via a program of education and information.

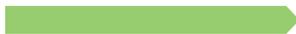
Only once this groundwork is done is it likely that the people in Canada will be open to some of the more advanced and futuristic tools that can deliver a simpler, better and faster banking experience.

 7%

think that brain signals to transfer money will be available in the next year

 30%

believe they are usually the first one to try new things

 49%

prefer doing something with new technology when they can