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Retail banks face a loyalty crunch as card experience leaves customers underwhelmed

- *Only 26% of customers are satisfied with their cards experience*
- *Nearly one-in-two prospective customers abandon onboarding due to a poor experience*
- *86% of executives plan to prioritize omnichannel experiences over the next 12 months to improve customer experience and build loyalty*

Paris, March 11, 2025 – The [Capgemini Research Institute's World Retail Banking Report 2025](#), published today, reveals a critical shortcoming in how retail banks appeal to the demands of digital-native, urban clients between the ages of 18-45. According to the report, while 73% of these credit card customers are motivated primarily by access to exclusive experiences, rewards and cashback offers, three-quarters (74%) are currently indifferent or outright dissatisfied with their card experience.

Cardholders seek personalized experiences, but banks struggle to differentiate

The banking landscape is undergoing significant disruption driven by the rise of contactless and remote payment options. Seamless and instant account-to-account (A2A) payments are at the forefront of this shift, with payment executives suggesting they could offset 15-25% of future card transaction volume growth¹.

Today, cards are a full-fledged financial companion and often the only physical piece of the bank that consumers carry. In the report, most industry executives (88%) across the globe rank an expanding reward ecosystem as the most effective way of boosting customer engagement and essential for delighting customers.

However, the research shows that not all rewards programs are translating into satisfied and loyal customers. Only 26% of cardholders are currently satisfied with their cards, 50% are indifferent, and 24% are outright dissatisfied. These results indicate that customer loyalty to their bank is likely to be low, and 74% of card customers are therefore a flight risk, with retail banks struggling to differentiate, despite access to extensive and robust data sources.

Banks' marketing teams cite intense competition from new-age banks and other card providers (83%), ineffective messaging and value propositions (72%), insufficient customer insights (66%) and a complicated application process (34%) as their biggest challenges.

"At a time where convenience and personalization dictate customer expectations, our research highlights the fragile state of cardholder satisfaction. Appealing to experience-driven urban consumers requires a culture reset that prioritizes customer centricity at every stage of the card journey – from awareness to onboarding to rewards," said Gareth Wilson, Global Banking Industry Leader at Capgemini. *"Contact centers represent the*

¹ [World Payments Report 2025, Capgemini](#)



front line of engagement, shaping brand perceptions, yet they remain the industry's Achilles' heel. Banks have an opportunity to transform contact centers into intelligent engagement-focused hubs that "wow" customers."

Cumbersome processes lead to friction across the onboarding journey

Banks are missing out on a significant portion of potential customers, and revenue, simply because the onboarding process fails to meet expectations. Globally, nearly half (47%) of prospective customers, who have selected their card of choice, abandon the application process midway through due to a poor experience.

Meanwhile, only 3% of banks' marketing teams consider the customer onboarding process to be seamless. In the Americas, this figure is 6%, while in APAC it is 2%, and in Europe it is 1%. Some of the most considerable challenges they face include:

- 75% of customers often submit incomplete documentation, causing significant delays
- 75% face delays in verifying customer identity
- 61% are overwhelmed by the sheer volume of applications they receive due to the lack of automation

Currently, less than a third (29%) of the data collection process during onboarding is fully automated using AI or generative AI (gen AI) technology. The potential for AI/gen AI to alleviate these challenges is enormous with 41% of executives planning to prioritize digital onboarding and application processes.

Intelligent contact centers can set the foundation for loyalty

In the realm of customer service, contact centers are critical to shaping a brand's perception. However, the report finds only 24% of customers enjoy a satisfactory experience during interactions. Many urban, digital-first, card seekers cite long wait times, inconsistent communication and a disconnect between digital channels and branch representatives as the source of their frustration.

Delivering a superior customer experience across all touchpoints and channels is essential for retail banks to serve the customer efficiently. This is substantiated by a majority (86 percent) of banking executives indicating plans to prioritize omnichannel experiences to boost client engagement over the next 12 months.

By modernizing digital contact centers, banks can redefine their impact and handle high volumes of customer interactions, the report concludes, through:

- Proactive outreach: 43% of customers contact agents to report lost or stolen cards, presenting an opportunity to use customer data to anticipate needs and deliver timely, relevant outreach.
- Real-time resolutions: 48% of customers seek help with card activation. Banks must be equipped with AI-driven self-service options to enable seamless updates and faster issue resolution across all channels.
- Sentiment-driven support: 65% of customers engage agents to dispute transactions. AI-powered sentiment analysis can interpret tone and intent to address dissatisfaction proactively and offer empathetic, tailored resolutions.

To read the full report: [Attract, engage, and delight: Spin the customer centricity flywheel.](#)

Report Methodology

For this report, the Capgemini Research Institute surveyed 200 senior retail banking executives, 700 marketing team members from banks and 8,000 urban digital-native customers aged 18-45. These primary research



sources cover insights from 11 markets: Australia, Brazil, Canada, France, Germany, Hong Kong, the Netherlands, Singapore, Spain, the UK, and the United States.

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