

To transform industry challenges into sustainable competitive advantages, retail banks will focus on three thematic areas



Customer First

Enterprise Management

Intelligent Industry

In 2025, market dynamics will catalyze...

Retail banks can achieve success by...

Customer First

Demand for digitalized and seamless customer journeys across digital platforms, contact centers, and branches

A shift to digital banking channels and customer preferences for mobile banking apps

The growing importance of youth banking to secure a long-term customer base

Transitioning from a siloed multichannel customer interaction strategy to end-to-end omnichannel communication

Offering digital financial literacy programs and personal finance apps to boost customer appeal

Engaging with customers early by providing youth banking services and communicating transitions at key life stages

Enterprise Management

Increasing regulatory scrutiny on cyber attacks and digital operational risk incidents

Increasing complexity of Anti Money Laundering (AML) and Know Your Customer (KYC) regulations leading to increased time and cost spent on compliance

A global reduction of central banks' money supply in the market and a significant outflow of deposits from banks

Increasing customer demands for streamlined and efficient KYC and onboarding processes

Increasing customer confidence with a demonstrated focus on digital operational resilience through technology partnerships

Adopting RegTech solutions for automated reporting and proactive regulatory compliance

Offering bundled products that combine savings accounts with credit or investment options to boost customer value and encourage new deposits

Leveraging digital-identity-based KYC verification tools to help reduce customer onboarding time

Intelligent Industry

Growing market pressure to achieve improved efficiency, offering better customer experiences

Growing customer demand for ESG products and investments in technology solutions for leveraging ESG data

Regulatory revisions aimed at enabling enhanced information sharing between financial institutions

Deploying AI and Gen AI solutions to simultaneously drive operational excellence and customer satisfaction

Creating competitive advantage and differentiation by embedding innovative ESG solutions into traditional banking products

Developing a 360-degree view of bank customers' finances, creating opportunities to cross-sell and offer personalized savings and investment advice

Future focus

In 2025, the retail banking industry will experience rapid change driven by evolving customer expectations, technological advancements, and shifting risk landscapes. To remain competitive and enhance customer value, the most successful retail banks will prioritize:

- **Customer-centric innovation** by rebuilding customer and employee experiences, offering digital financial literacy programs, and youth banking services.
- **Process efficiency** through digital operational resilience programs leveraging technology, RegTech solutions for automated compliance, and digital-identity based KYC.
- **Data-driven decision-making** by deploying AI and Gen AI based solutions, embedding innovative ESG product offerings, and leveraging open finance for developing a 360-degree view of customers.

By embracing customer centricity, digital transformation, and innovation, retail bankers will better serve their customers while ensuring operational efficiency and regulatory compliance, positioning them for long-term success.



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