

Most consumers prefer a digital lending experience, but trust is still paramount

New data from Abrigo finds consumers value faster, more convenient lending experiences, giving lenders who build trust and use explainable technology an edge

RALEIGH, N.C. – October 7, 2026 – As financial institutions adopt AI and other data-driven technologies, transparent communication about data use can be an important part of maintaining customer confidence. Abrigo, a leading provider of compliance, credit risk, lending, and data analytics solutions for U.S. financial institutions, surveyed consumers about how they borrow, what they expect from lenders, and how they feel about technology and AI in the lending process.

Findings suggest consumers want the convenience, speed, and pricing advantages digital lending offers. But their trust-related demands point to the need for purpose-built solutions that financial institutions control and that support, rather than replace, human judgment and relationships.

Consumers want faster, easier lending and a human connection

Overall service quality and trust remain important factors in whether consumers stay with their primary lender. Price is still the top factor. When asked what would make them switch lenders, lower rates or fees led at 57.9%, followed by more flexible repayment options at 31.6%, better customer service at 24.1%, and trust or safety concerns at 23.3%. A better online or mobile experience drew 19.8%, while faster decisions or funding garnered 19.5%.

At the same time, more than half of consumers (54.5%) prefer a fully or mostly digital loan application, underscoring demand for a convenient, efficient lending experience. That preference rises to 68% among Gen Z and Millennials. But while only 36.0% of older customers prefer a digital approach, simply offering an online application doesn't guarantee loyalty.

The trust and safety concerns cited as factors for staying with or switching lenders are important for community banks and credit unions to keep in mind, especially considering that more than three-quarters of consumers (76.8%) expressed at least some concern about how lenders handle their personal and financial data, including 39.4% who are extremely or very concerned. More than half (54.6%) want assurance that their data will not be sold to third parties. Nearly half (49.9%) want to know what information is being collected and why.

Community banks and credit unions can draw on established customer relationships to explain what data they collect, how they use it, and how they protect it, creating an opportunity to offer more direct transparency than borrowers may experience with larger institutions or online-only lenders. Streamlined digital loan processes save lenders time, giving them more opportunities to answer customers' questions and build trust by explaining how the lending process works.

Trust is built through relationships

Consumers continue to discover financial institutions through personal connections. Recommendations from friends and family were the most common way consumers found their primary lender, at 26.3%, ahead of online search at 23.1%. Nearly 1 in 5 consumers found their lender by walking into a branch.

Trust also varies significantly across generations. Among Boomers, 61.8% report high or complete trust in their primary lender, compared with 45.5% of Gen Z.

That existing trust can give community financial institutions an important foundation for introducing new technology. Customers who already know their lender may be more receptive to learning how AI can improve the speed, convenience, and accessibility of financial services when that information comes from a familiar source.

AI creates an opportunity for community financial institutions to deepen relationships

The survey found significant apprehension about AI making lending decisions without human involvement. More than 7 in 10 consumers (70.6%) are somewhat or very uncomfortable with AI making the initial decision on a loan application. This finding suggests that institutions using purpose-built solutions where AI supports rather than replaces a banker's judgment may have an advantage with hesitant consumers. Similarly, technology can expedite some of the manual steps lenders must complete, freeing up more time to support and engage the community.

"AI shouldn't replace the relationship; it can give financial institutions more time to invest in it," said Jay Blandford, CEO at Abrigo. "The institutions that can explain the technology in terms their customers understand and show them how it benefits their experience can help turn uncertainty into understanding."

More than half have walked away from credit they needed

More than half of consumers (56.5%) said they needed money at some point but decided not to apply for credit. High interest rates were the top reason at 27.4%, followed by avoiding debt at 23.4% and poor credit at 20.0%.

Other key stats in the report:

- Overall, 38.1% said they are less willing to borrow than a year ago; among Boomers, that figure was 51.6%.
- Only 22.3% are very confident they know whether a loan rate is fair.
- When it comes to finding a lender they trust, only 21.5% are very confident.

The full report, *Consumer lending survey: The payoff of smarter lending operations*, is available at abrigo.com.



Methodology

This survey was conducted on behalf of Abrigo by Propeller Insights among a nationally representative sample of 1,020 U.S. adults in June 2026.

About Abrigo

Abrigo offers an AI-powered platform that helps U.S. financial institutions manage risk and drive growth. As a leading provider of software and services spanning lending, financial crime and compliance, analytics and intelligence, and customer relationship management, Abrigo brings together governed, explainable AI and trusted banking expertise in one connected platform. More than 2,400 institutions use Abrigo to improve efficiency and make informed decisions with solutions that work alongside their teams to help communities thrive. Visit abrigo.com to learn more.

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