The Payment Revolution: How Next-Gen Consumers Are Rewriting the Rules

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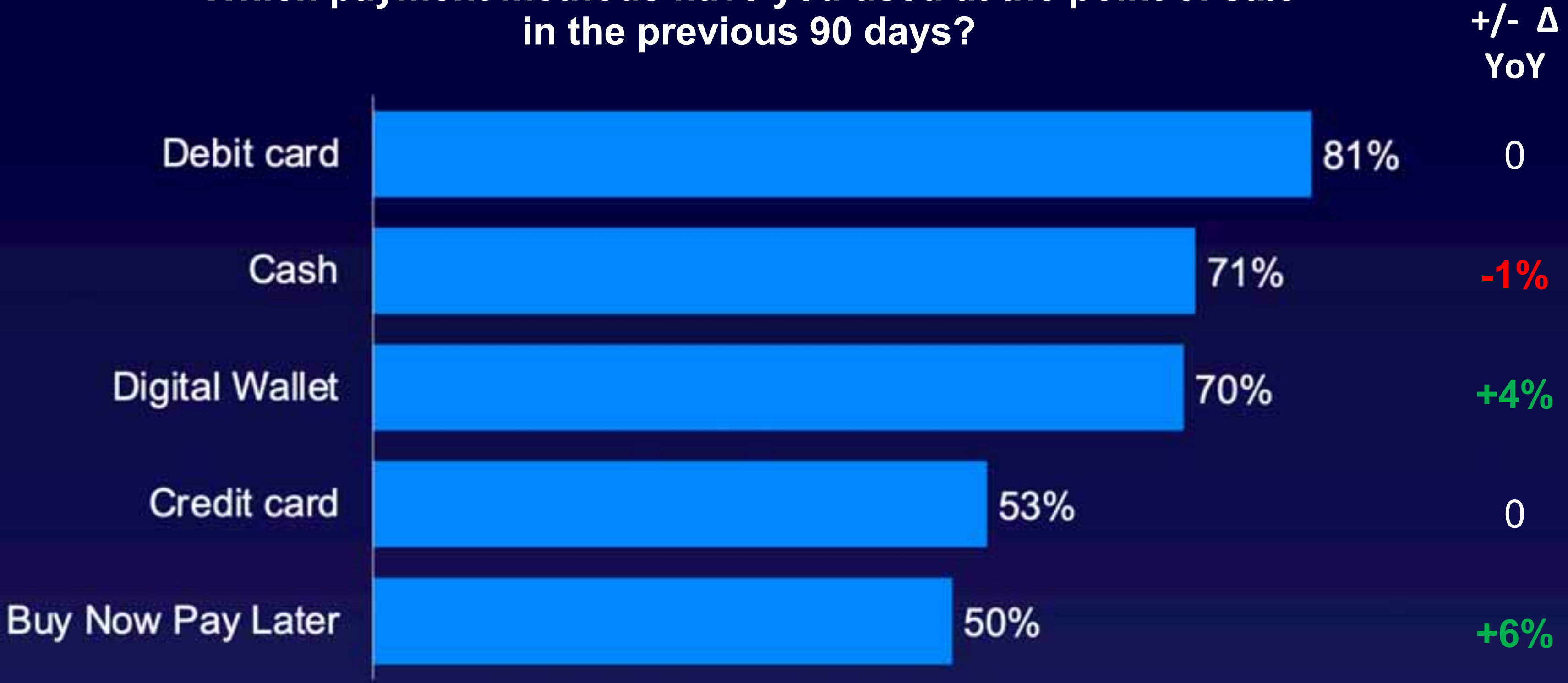
What is the top payment method among younger consumers?

Top 5 payment methods among younger consumers (<40)

Which payment methods have you used at the point of sale in the previous 90 days?



Source: 2026 JD Power Checkout and Point of Sale Choice Study

What’s driving the shift?

Top 3 reasons younger consumers use digital wallets

Speed

Ease of Use

Security

Source: 2026 JD Power Checkout and Point of Sale Choice Study

Top 3 reasons younger chose their digital wallet brand

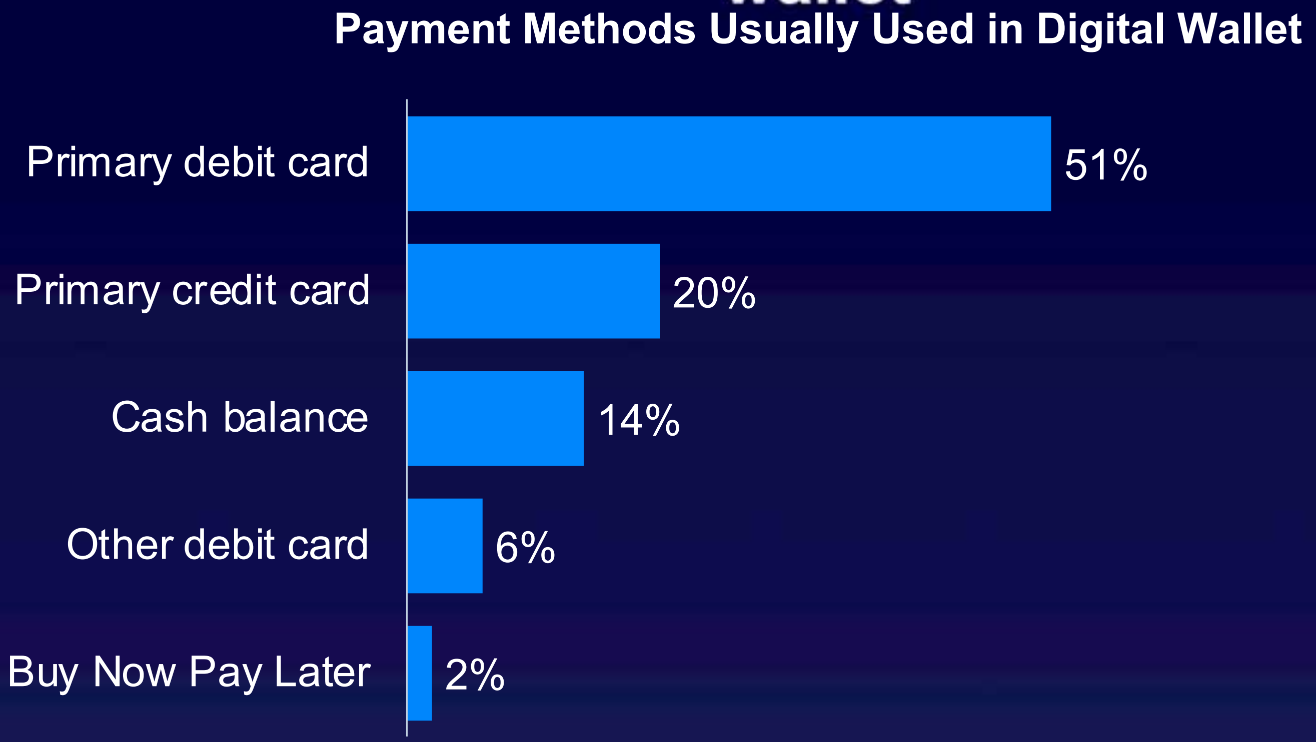
Convenience

Trust

Friends/
Family

Source: 2026 JD Power Digital Wallet Satisfaction Study

For younger consumers, primary debit cards are top of wallet



Source: 2026 JD Power Digital Wallet Satisfaction Study

Top 3 reasons younger consumers use debit cards

Speed

Track and Manage

Ease of Use

Source: 2026 JD Power Checkout and Point of Sale Choice Study

Top 3 reasons younger chose their debit card brand

Friends/
Family

Convenience

Trust

Source: 2026 JD Power Debit Card Satisfaction Study

What happened to credit cards?

Top 3 reasons younger consumers use BNPL

Defer Payment

Terms are Reasonable

Budgeting/ Avoid Debt

For credit cards, neither factor makes the top 10 reasons for use, both factors are among the top 5 reasons younger consumers avoid credit cards.

Source: 2026 JD Power Checkout and Point of Sale Choice Study

Top 3 reasons younger consumers chose their BNPL brand

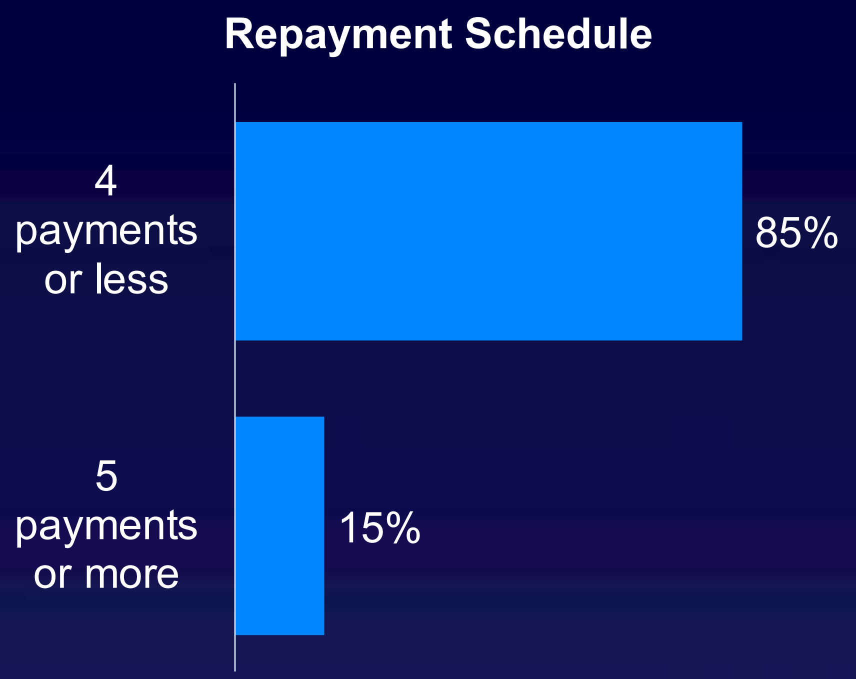
Convenience

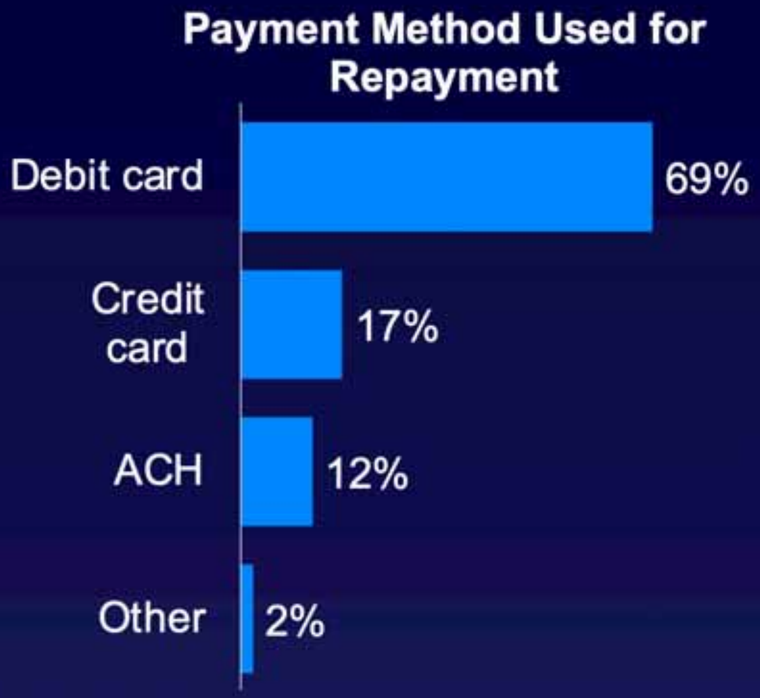
Cost

Trust/ Recommendation

Source: 2026 JD Power Buy Now Pay Later Satisfaction Study

Most younger customers repay within 4 payments and use debit cards for repayment.





Source: 2026 JD Power Buy Now Pay Later Satisfaction Study

Introducing the Embedded Payments consumer

They're just like everyone else, only younger

Over half (59%) of embedded payments users are <40

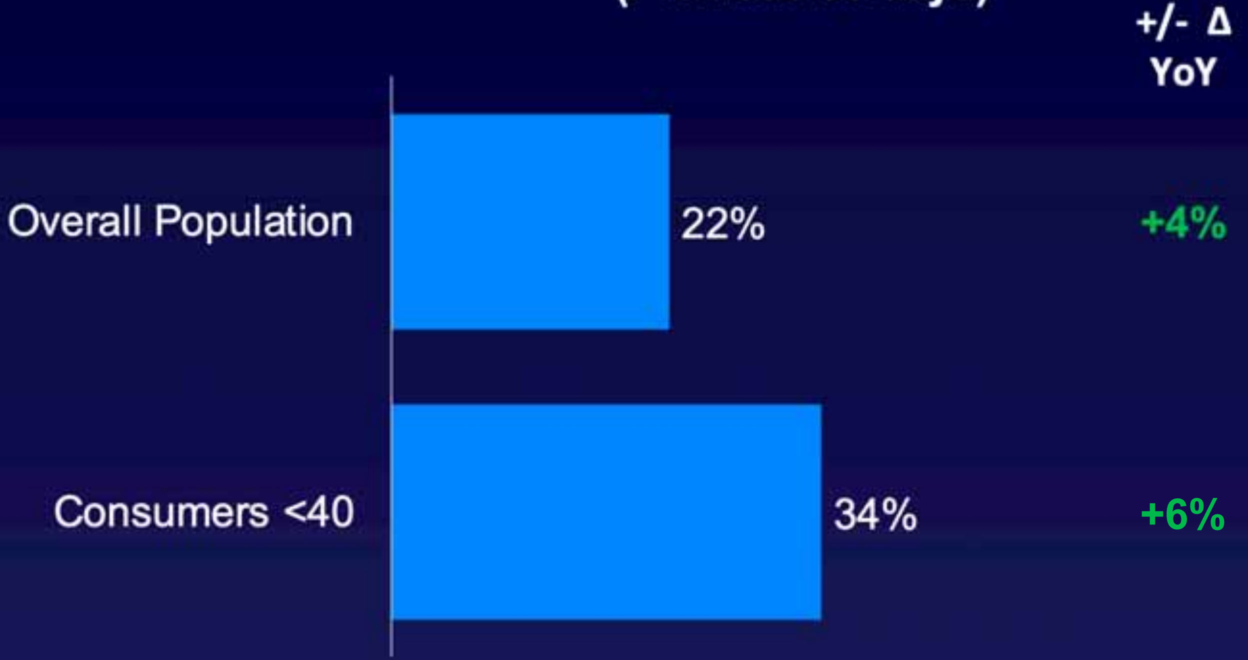
	Overall Population	Embedded Payments Users*
660+ FICO	55%	43%
$100K+ HHI	18%	17%
Financially Healthy	29%	25%

*Consumers that have used Buy Now Pay Later, Debit cards, and Digital Wallets in the previous 90 days

Source: 2026 JD Power Checkout and Point of Sale Choice Study

And their numbers are growing

Used BNPL, Debit Card, and Digital Wallet at Point of Sale (Previous 90 days)



Source: 2026 JD Power Checkout and Point of Sale Choice Study

Fintechs are leveraging embedded payment experiences to challenge incumbents

28% of new checking account openings by younger consumers in Jan/Feb were with fintechs

Top 5 Aspects When Shopping for a Checking Account (Customers <40)

1. Digital Wallet
2. Ability to send/receive money
3. Online/Mobile bill pay
4. Mobile check deposit
5. Having ATMs nearby

Source: 2026 JD Power Financial Services Churn Data & Analytics

Opportunities

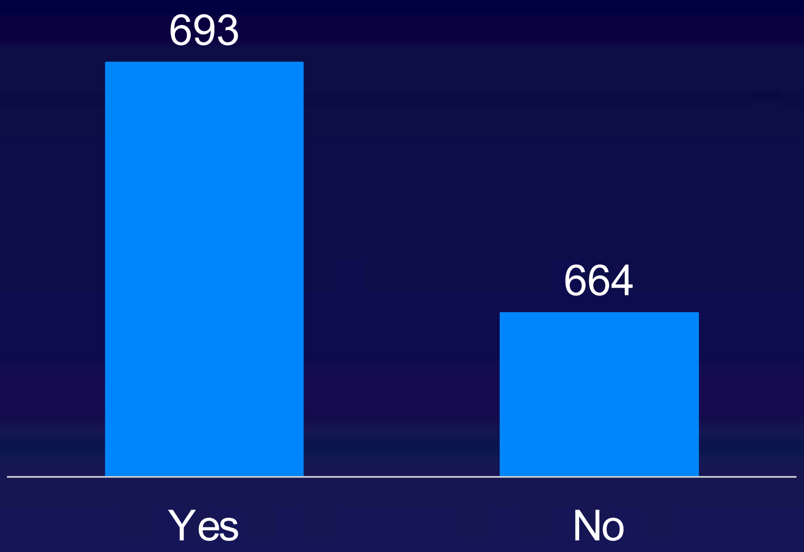
Younger debit card customers don’t fully understand their perks

- **79%** say their debit card offers perks
- They rate debit cards with perks more highly
- But only **51%** actually understand the perks they have

Source: 2026 JD Power Debit Card Satisfaction Study

Over a quarter (29%) of younger debit card customers cannot provision their debit cards in-app

Are you able to add your debit card to your digital wallet directly from the website or mobile app?
(Overall Satisfaction, Consumers <40)



Source: 2026 JD Power Debit Card Satisfaction Study

Real-time balance updates are a major opportunity among younger consumers

- **78%** expect their account balance to update **within a few minutes or less** after purchases
- **70%** say that the **speed** at which their account balance updates after making a purchase is **very important**

Source: 2026 JD Power Checkout and Point of Sale Choice Study

Security concerns are still the top obstacle to using digital wallets among younger consumers

Only **56%** of younger consumers feel their digital wallet brand keeps them completely informed about security policies and protections

Source: 2026 JD Power Checkout and Point of Sale Choice Study; 2026 JD Power Digital Wallet Satisfaction Study

Key digital wallet experiences still not very easy for many younger customers

Digital Wallet Satisfaction KPIs

- **29%** say completing an online purchase is not very easy
- **40%** say completing an in-person purchase is not very easy
- **41%** say reviewing purchase activity is not very easy
- **38%** say completing a purchase on merchant mobile app is not very easy
- **49%** don’t completely understand where digital wallet can be used

Source: 2026 JD Power Digital Wallet Satisfaction Study

Close to a fifth of younger digital wallet customers say they intend to switch brands

- **18%** say they probably or definitely will switch brands for online purchases
- **16%** say they probably or definitely will switch brands for in-person purchases

Source: 2026 JD Power Digital Wallet Satisfaction Study

Getting a new device is not even among the top 5 reasons for switching among younger customers

Top 3 Reasons for Switching

Online

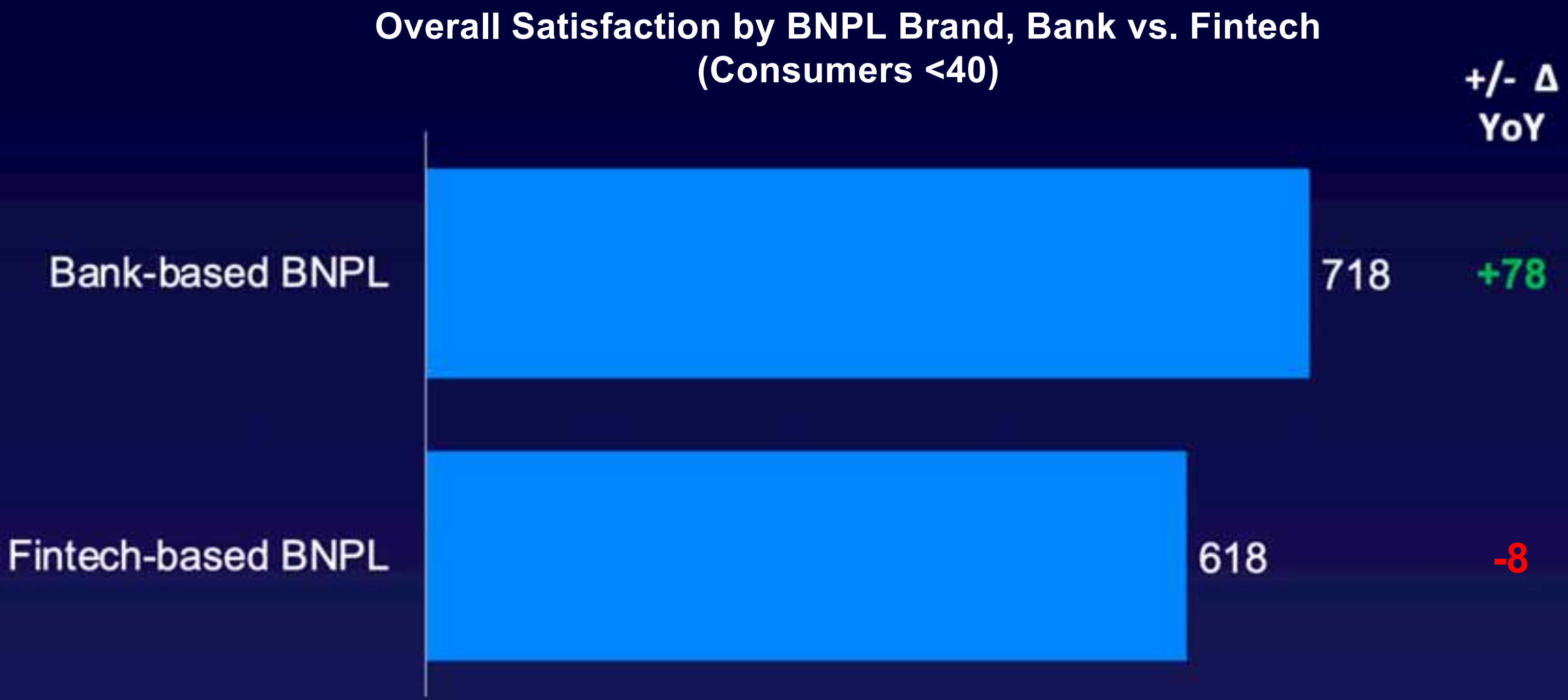
1. Better perks
2. Better functionality
3. Sign-up bonus
3. Better digital experience

In-person

1. Better perks
2. Better security
3. Better functionality

Source: 2026 JD Power Digital Wallet Satisfaction Study

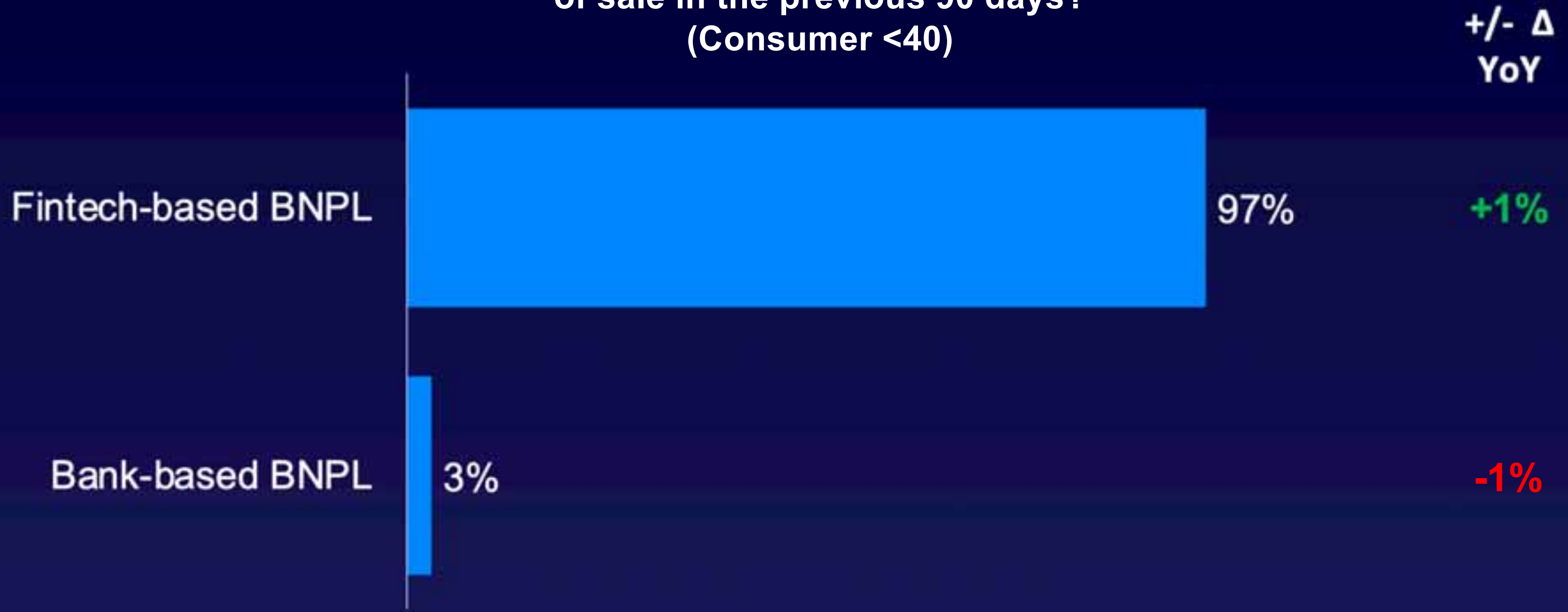
Bank brands receive higher marks from younger consumers, and satisfaction is climbing



Source: 2026 JD Power Buy Now Pay Later Satisfaction Study

But they're losing out to fintechs, who are driving most of the BNPL growth

**Which payment methods have you used at the point of sale in the previous 90 days?
(Consumer <40)**



Source: 2026 JD Power Buy Now Pay Later Satisfaction Study

Think about payments like a younger consumer

Action Item #1: take debit cards seriously

1. Make debit card provisioning instant in-app with intuitive navigation.
2. Surface debit perks directly in the banking app, not on a PDF or web page.
3. Add real-time balance updates post-purchase.

Action Item #2: build BNPL products

1. Start with debit-funded BNPL.
2. Offer simple, fixed terms (4–6 payments) with no jargon and total cost.
3. Surface eligible purchases automatically.
4. Integrate BNPL directly inside the banking app, not as a separate product.
5. Embed BNPL into digital wallet and merchant checkout flows.

Buy Now Pay Later is now easier to implement

msufcu MSU FEDERAL CREDIT UNION
Suffolk Credit Union
OceanAir Banking with a Breeze
AMOCO FEDERAL CREDIT UNION

ASSOCIATED CREDIT UNION
dupage credit union
USF CREDIT UNION

APCU Atlanta Postal Credit Union
TruPartner Credit Union
apple
Community Financial CREDIT UNION

Sunward BANKING MADE BETTER
BluPeak CREDIT UNION
CAPITOL CREDIT UNION

parda CREDIT UNION
Rave FINANCIAL
EAGLE COMMUNITY CREDIT UNION
Financial Plus Credit Union
generations federal credit union

Action Item #3: build embedded payments experiences

1. Offer a bank-issued, multi-merchant digital wallet that works everywhere your customers shop.
2. Make it one-tap to activate from your mobile app or online banking dashboard.
3. Highlight bank-level trust and protections directly in the wallet experience.

Many banks are already doing this


Questions?
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Thank you!

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