

Consumer Complaint Trends in Digital Banking

Executive Summary

The rapid growth of digital-only banks and fintech platforms has transformed how consumers access financial services. However, complaints submitted to the CFPB reveal growing consumer risks in fraud prevention, account access, and dispute resolution. In 2023, consumers submitted more than 85,000 complaints related to digital banking services. The most common issues included locked or frozen accounts, delayed identity verification, unauthorized peer-to-peer (P2P) transactions, and limited customer service options.

1. Introduction

Digital banking platforms offer convenience, speed, and innovative tools. Yet consumers report that these advantages can quickly turn into barriers when problems arise. Unlike traditional banks, many digital providers lack physical branches or 24/7 call centers, leaving consumers without support during urgent financial events.

2. Consumer Issues

2.1 Account access problems: Consumers frequently reported being locked out of their accounts after suspected fraud, with identity verification processes dragging on for weeks. For some, this meant delayed access to payroll deposits or emergency funds.

2.2 Unauthorized transactions: Fraudulent P2P transactions accounted for nearly a quarter of complaints. Victims often stated they had little recourse once funds left their account, even when the transaction was clearly unauthorized.

2.3 Customer service barriers: Consumers described difficulty reaching live representatives, citing reliance on automated chatbots or delayed email responses. In cases of frozen accounts, lack of timely service amplified financial distress.

3. Discussion

Complaints suggest that digital banking risks are not solely technical, but operational. The lack of robust customer service creates consumer harm, particularly when fraud intersects with access issues. As adoption grows, digital banks face rising pressure to ensure resiliency, transparency, and responsive dispute processes.

4. Conclusion

While digital banking offers significant benefits, consumer complaints highlight systemic vulnerabilities in fraud recovery and customer support. Responsible providers can use complaints as early indicators of stress points and invest in practices that restore trust in the digital banking ecosystem.