



Design
Shoola

Decoding Gen Z in India: Navigating trust, tech, and tactics in the future of finance

India Gen Z Study 2025

March 2025



The better the question.
The better the answer.
The better the world works.



Shape the future
with confidence

Foreword

Gen Z is set to redefine the future of Financial Services. As they emerge as the next significant customer base for financial institutions, their unique relationship with money—shaped by rapid technological advancements and constant connectivity—presents both opportunities and challenges. But are financial institutions truly ready to serve this generation? And perhaps most importantly—does Gen Z trust the system?

Contrary to popular assumptions about Gen Z, our journey into understanding their behaviour has revealed that beneath the surface lies a generation that is pragmatic, informed, and deeply aware of their financial futures. The question then arises—if they engage with the world differently, should financial services be designed differently for them?

Despite being described as digital natives, Gen Z's digital fluency does not automatically translate to trust in digital financial services. While they expect seamless digital experiences, they also seek transparency, guidance, and products that align with their values and aspirations. Understanding their needs goes beyond just offering digital platforms—it requires a fundamental shift in how products are designed, communicated, and delivered.

Our approach to understanding their financial preferences deviated slightly from the conventional research methods. We followed the Human-Centered Design (HCD) approach to step into their lives, engage with them directly, and gain insights into their financial behaviours, pain points, and expectations. This report is the culmination of those efforts, bringing forward key findings that challenge existing assumptions and provide actionable recommendations for building a more inclusive and responsive financial system for the Gen Z customer.

Now is the right time for collaboration and action as Gen Z emerges as a powerful economic force. We believe this report can serve as a compass for financial institutions to reimagine their offerings and build lasting relationships with the customers of tomorrow.



Rajesh Bansal

Chief Executive Officer,
Reserve Bank Innovation Hub (RBIH)

The Financial Services industry in India is at the cusp of a transformative shift, driven by the sheer scale, ambition, and digital fluency of Gen Z. This isn't just another demographic trend—it is a fundamental reshaping of how banking, payments, and wealth management will function in the years ahead.

As we present this comprehensive report on Gen Z's financial landscape in India, I am struck by the sheer dynamism of this pivotal demographic. They are not just a generation; they are a force reshaping the very foundations of our financial ecosystem.

What sets them apart is their ability to navigate digital finance with ease while demanding authenticity, trust, and personalization. They expect financial solutions that are not only seamless but also tailored—modular products that they can customize, goal-based savings tools that support financial discipline, and hyper-personalized experiences that evolve with their needs.

Our report highlights the urgent need for agility and innovation, as Gen Z's financial behaviors are rapidly evolving, driven by technology, macroeconomic shifts, and their own aspirations. They don't just adopt new financial products—they actively seek to understand them.

Advisory services must go beyond generic recommendations, to providing fact-based insights, interactive content, and structured playbooks that empower Gen Z to make informed decisions.

Social media is not just a marketing tool—it is a critical touchpoint for customer service, financial education, and brand interaction.

Financial institutions must also embrace responsible advocacy, reinforcing trust through transparency and ethical business practices.

The road ahead is filled with opportunities, but only for those who are ready to adapt at Gen Z's pace. The question is: are we ready to evolve with them?



Aarthy Rangarajan

Partner, Business Consulting,
Financial Services, EY India

Content



SECTION 1: Introduction

- 1.1 Purpose of the report
- 1.2 Scope and methodology
- 1.3 Executive summary

SECTION 2. Are Financial Services ready to serve Gen Z's evolving needs?

- 2.1 Defining traits of Gen Z in India

SECTION 3. The next big force shaping the future

- 3.1 Gen Z population, share and growth
- 3.2 Behavioral insights

SECTION 4. Understanding Gen Z's financial priorities

- 4.1 **Navigating trust and technology:** Seeking financial advisory in the digital age
- 4.2 **Banking with confidence:** Convenience, trust and experience as pillars of modern finance
- 4.3 **Swipe, Tap, Reward:** Crafting the seamless symphony of convenient payments
- 4.4 **Smart planning:** Mastering the art of aspirational spending with financial discipline
- 4.5 **Measured moves:** Crafting a risk-calibrated strategy for investment success
- 4.6 **Savvy saving secrets:** Unravelling the motives and mentors behind money moves
- 4.7 **The borrower's blueprint:** Prioritizing trust and affordability in financing choices

SECTION 5. Implications and call to action for Financial Services (FUTURE)

- 5.1 **Foster channels for personalised experience**
- 5.2 **Unite convenience and rewards in payments**
- 5.3 **Transform financial advisory**
- 5.4 **Uphold Gen Z's financial discipline**
- 5.5 **Reassure brand engagement**
- 5.6 **Empower modern credit with flexibility**

SECTION 6. Appendices

- 6.1 Data sources and references
- 6.2 Glossary of terms
- 6.3 Key contacts

1

Introduction

Generation Z or popularly known as Gen Z (born 1996–2010): India's vanguard of change, a digital-native force reshaping the nation's destiny, their authentic spirit and innovative vision forging a new era of possibilities and progress.

Welcome to the dawn of a new era in India, where the pulse of the nation beats with the unbridled energy of its young citizens—Generation Z or Gen Z.

Born between the digital dots of 1996 and 2010, these trailblazers are not just a demographic; they're a colossal wave, set to flood the Indian landscape with fresh ideas and a spirit that's both unyielding and unapologetically authentic.

They are the architects of a new India, navigating a world of rapid technological evolution and economic transformation with a unique blend of digital fluency and pragmatic ambition. More than just digital natives, they are active participants in shaping the nation's future, wielding their influence across commerce, culture, and societal norms.

Yet, their journey is not without its complexities. They grapple with the anxieties of a shifting job market, the pressures of social media, and a deep-seated focus on responsible financial behavior and long-term security.

Gen Z is redefining the financial landscape with their digital-first mindset, preference for personalized solutions, and pursuit of financial independence. As they become the largest segment of future earners, serving their evolving financial needs will be pivotal for the financial sector's growth and innovation.

This report delves into their financial behaviors, revealing the insights necessary for businesses, policymakers, and society to not merely adapt, but to thrive in this era of Gen Z's ascendance. Ignoring their voice is not just a missed opportunity, it's a forfeiture of the future.

Note: The insights in this report are based on surveyed Gen Z respondents and may not fully represent the entire Indian Gen Z population. Additional interventions may be required for segments such as rural or non-literate individuals, who were not specifically covered.

1.1 Purpose of the report

This report aims to illuminate the intricate financial landscape of Gen Z (born 1996-2010) in India, a demographic poised to redefine the future of financial services. Through a comprehensive analysis of their spending, saving, borrowing, and investment behaviors, we seek to uncover the key trends shaping their interactions with financial institutions.

This exploration extends beyond mere observation, delving into the nuanced dynamics of trust, digital engagement, and financial literacy. We examine how emerging technologies and alternative credit models are reshaping their expectations, and assess the efficacy of personalized financial tools in meeting their diverse needs.

Ultimately, this report serves as a strategic guide for financial institutions to:

1

Identify key trends shaping their banking experiences, including digital payments, alternative credit models, and personalized financial tools

2

Evaluate the role of financial institutions in addressing Gen Z's trust, literacy, and fraud protection

3

Provide actionable insights to foster meaningful engagements and build enduring relationships with this pivotal generation



Rajesh Bansal

Chief Executive Officer,
Reserve Bank Innovation Hub (RBIH)



Somya Singh

Lead - DesignShaalaa, RBIH



Kritika Shukla

Project Manager - Research,
Gender & Finance, RBIH



Pratik Shah

Partner & National Leader,
Financial Services, EY India



Aarthy Rangarajan

Partner, Business Consulting,
Financial Services, EY India

1.2 Scope and methodology

This report employs a comprehensive research strategy, combining primary and secondary analysis. We focused on two distinct user groups: those with advanced financial engagement who actively manage credit, investments, and digital financial tools, and those who are less tech-savvy, credit-averse, or have minimal interaction with formal financial services. At its core lies qualitative insights, derived from:

In-depth human-centered design (HCD) interviews with

15

Gen Z individuals across India

Targeting these extreme users helps us uncover broader user behaviors, enabling the design of solutions that are more adaptable and effective for a wider audience.

These insights are further validated through a

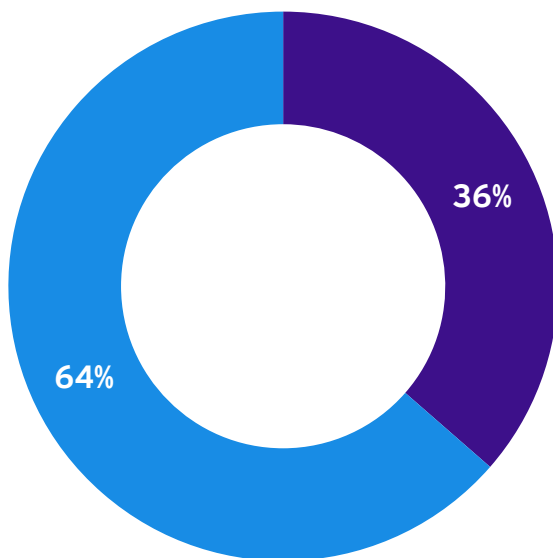
survey on

1,046

Gen Z in India, during February 2025

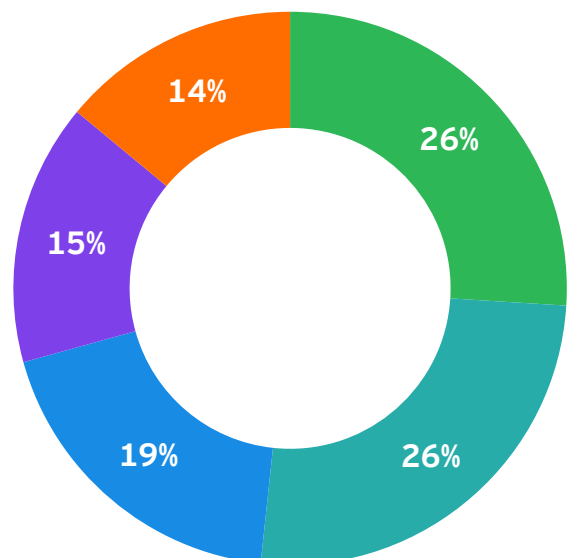
With significant participation across...

...Gen Z age groups...



■ 18-21 years old ■ 22-28 years old

...and geographic zones



■ North ■ South ■ East ■ West ■ Central + NE

Executive summary

Gen Z—the generation born between 1996 and 2010—is rewriting the rules of finance in India.

With one in five global Gen Zs calling India home, their preferences are shaping the future of banking, payments, and investments. They are digital natives, fluent in apps and online experiences, yet they still value trust and personal connections when it comes to managing their money.

Our survey reveals a generation that blends convenience with caution. While 83% prefer digital-first financial services, they also seek human interaction for key decisions, highlighting the need for a balance between tech and trust. Banking for them is all about flexibility—48% maintain multiple accounts to separate personal and professional finances, while 44% actively explore different bank features.

When it comes to payments, Gen Z is driving the rise of UPI, with 68% using it for the ease and cashback perks. Credit cards are also a growing trend, with 46% choosing them for rewards and discounts, and 36% for sheer convenience.

But their financial journey does not stop there—investment is becoming a priority. One in three are engaged in market-linked investments, with 40% putting their money in stocks and 34% in SIPs/Mutual Funds, signaling a strong appetite for wealth-building.

Despite their digital prowess, Gen Z are not fully satisfied with the financial experiences available today. A significant 42% find UI/UX lacking, and only 7% trust bank representatives for advice, pointing to a clear gap in engagement and financial education.

For financial institutions, the key to winning Gen Z lies in the FUTURE framework—fostering personalized experiences, uniting rewards with convenience, transforming financial advisory services, upholding financial discipline, reassuring engagement with tailored offerings, and empowering credit solutions that are flexible and affordable. By aligning with their expectations, banks and FinTechs can not only serve this generation better but also build long-term loyalty.

The message is clear: Gen Z are here, and they are transforming finance. The question is—who's ready to meet them where they are?



2

Are Financial Services ready to serve Gen Z's evolving needs?



Gen Z in India, the largest generation and a powerful force, is redefining the very fabric of society, unlocking unprecedented growth opportunities and shaping the nation's future with its unique perspectives and digital fluency.

India has 382 million Gen Zs currently. That is not just a big number; it is a game-changer. India is home to 20% of the global Gen Z population. This makes them the largest generation in history, even bigger than the Millennials.

Forget the stereotypes. Yes, they are hyper-connected, digital natives* who grew up with the internet. They are also pragmatic, future-oriented, and no-nonsense when it comes to finances, careers, and what they buy. They are the new architects of the Indian economy, culture, and identity, with their fingers on the pulse of change and their eyes on a horizon brimming with possibilities.

But it is not all sunshine and rainbows. They are also navigating a world of rapid technological change and a shifting job market, often plagued by anxiety and stress amplified by social media. They care deeply about the environment and cost of living. They are looking for purpose and identity in their work.

So, if businesses, policymakers, and society at large want to stay relevant, it is high time to tune in to the frequency and understand Gen Z's needs, their values, and their aspirations. Because ignoring this generation is not just a mistake—it is a missed opportunity.



Convenience brings Gen Z in; simplicity and trust keep them coming back.



Rajesh Bansal

Chief Executive Officer,
Reserve Bank Innovation Hub (RBIH)

*Gen Z individuals who are illiterate or reside in rural areas will necessitate targeted interventions. It is essential to acknowledge their existence and potential needs

Who are Gen Zs?

Born **1996-2010**

In 2025, their age range is **15 to 29 years**

26% of the Indian population

Totaling to **382 million people** in India



2.1 Defining traits of Gen Z in India



Lifestyle and choices

Tech-driven social lives: Prefer online interactions, forming connections through digital platforms

Digital deep-divers: Rely heavily on online research and e-commerce for purchases

Travel bugs: Passionate about exploring new places but look for budget-friendly options

Home and car goals: Owning a home and a car early in life is a top priority



Saving and investing

Money smart: Savings first, spending later—dreaming big but budgeting bigger

Spendvestors: Invest in lifestyle goals—travel, gadgets, and home decor

Affordability matters: Always hunting for the best deals and value before making a purchase

Worried about money: Inflation and job uncertainty drive cautious spending habits

Financially disciplined: Avoid unnecessary debt, embracing FinTech for smarter money management



Careers

Career-focused: Believe technological skills give them an edge in the workplace

Work = Identity: Job stability is a major concern and a key part of self-worth; prefer flexible work options



Conscious consumers

Eco-conscious but struggling: Support sustainability but find it hard to adopt in daily life

Mistrust greenwashing: Skeptical of brands' sustainability claims, questioning their authenticity



Social views

Mental health matters: Social media fuels anxiety, but there is growing self-awareness and focus on well-being

Highly opinionated: Hyperaware, hyperconnected, and unafraid to speak up on social issues

Note: The traits outlined here represent broad characteristics of Gen Z, primarily focusing on the tech-savvy population. They may not fully reflect the entire Indian Gen Z demographic, particularly rural or non-literate individuals who may require additional interventions.

How Gen Z has grown in an age different from that of previous generations?

Gen Z has grown up in an age of digital disruption, vastly different from the world experienced by previous generations. Unlike millennials or Gen X, whose relationship with technology evolved over time, Gen Z is the first generation to be truly digital-native – surrounded by smartphones, social media, and on-demand services from an early age. This constant exposure to technology has not only made them tech-savvy but has also shaped their expectations of the world around them.

They seek speed, convenience, and seamless digital experiences in everything they do – whether it is shopping, learning, or managing their finances.

Moreover, growing up in the aftermath of global economic crises, rising inflation, and the uncertainty of the job market has made Gen Z more financially conscious than previous generations at a similar age.

They are highly self-reliant and value-driven, making decisions based on both practicality and social impact. Their spending habits lean towards purposeful consumption, where convenience, brand values, and long-term financial security take precedence over brand loyalty.

This unique blend of digital fluency, financial caution, and social consciousness sets Gen Z apart, pushing industries to rethink how they engage with this generation. As they enter the workforce and start making independent financial decisions, Gen Z expects brands – including Financial Services – to not only provide instant, digital-first solutions but also align with their values of transparency, inclusivity, and long-term well-being.

How other sectors are winning Gen Z with digital experiences

Many industries beyond Financial Services have rapidly adapted to Gen Z's digital-first mindset, setting new standards in customer experience and personalization. E-commerce platforms have redefined shopping by offering seamless digital journeys, with personalized product recommendations, instant checkouts, and real-time delivery tracking. These platforms not only cater to Gen Z's preference for speed and convenience but also build loyalty through reward programs and exclusive offers.

The entertainment sector has also embraced this shift. Streaming platforms leverage data-driven algorithms to curate personalized playlists and content recommendations, making each interaction feel tailored to individual preferences. This level of customization makes Gen Z feel understood and valued, reinforcing their loyalty to these platforms.

Even food delivery services have revolutionized the dining experience by offering intuitive apps, instant payments, and live order tracking – transforming a simple transaction into a frictionless, engaging journey. These sectors have successfully blended convenience, personalization, and transparency – three key elements that resonate deeply with Gen Z.

What sets these industries apart is their ability to create experiential ecosystems rather than just delivering products or services. They empower users to explore, customize, and control their journeys – an approach that Financial Services are yet to fully embrace. As Gen Z's financial participation grows, they expect the same effortless, transparent, and personalized experiences from banks, investment platforms, and other financial service providers.



Are Indian Financial Services ready to cater to Gen Z in the way they want and how they want?

India's Financial Services sector is at a crossroads, grappling with the challenge of meeting the distinct preferences of Gen Z. The big question is not just whether they are offering products, but whether they are offering them in the way Gen Z wants — digital-first, hyper-personalized, and value-driven.

Are Financial Services meeting Gen Z expectations?

While most Indian financial institutions have launched mobile apps and online services, the user experience remains key criteria. Next generation banks have made significant strides with intuitive, app-only banking. Traditional banks also focused on migrating their legacy systems and reimagining the experience from scratch.

Accessibility and convenience

Gen Z expects instant onboarding, paperless KYC, and round-the-clock support – not just as add-ons, but as the norm. FinTechs and legacy banks have made account opening seamless, and made significant strides on digital signature.

Hyper-personalization

Personalized offers and tailored product recommendations are non-negotiable for Gen Z. Next generation platforms offer curated deals based on spending behavior, while investment apps provide goal-based investing advice. On the other hand, many traditional banks continue to push generic savings and fixed deposit products without customization.

Financial literacy

Gen Z is more financially aware than previous generations but still seeks guidance on investments, taxes, and loans. Micro-savings platform are embedding financial literacy into their products.

Traditional institutions are yet to make educational content an integral part of their digital services.

Transparency and trust

Transparency in fees, charges, and data usage is a key expectation. Gen Z actively chooses brands that align with their ethical values. Many FinTechs openly disclose fees, while charges of many banks may get hidden in fine print.

Indian Financial Services are taking strides, but there is still a long way to go in meeting Gen Z's expectations. The winners will be those who not only digitize but also humanize their services – offering experiences that are personalized, transparent, and aligned with the values of the most influential generation yet.



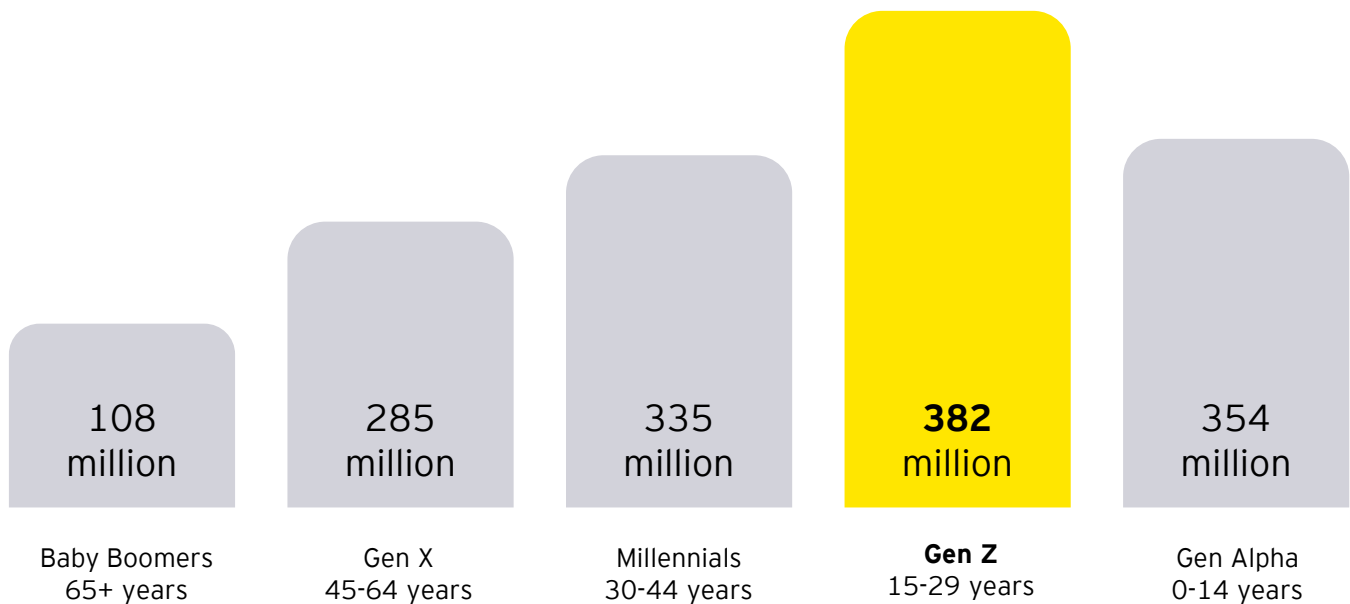
3

The next big force shaping the future



As the **largest generation** in India's history, **Gen Z** is the most influential demographic force shaping **India's future**

India's population split across generations, as of 2025



3.1 Gen Z in India: Key numbers and market potential

382 million

Gen Z population in India in 2025, which makes them the largest generational cohort in India's history

26%

Share of Gen Z in overall population in India

1 in 5

Gen Z globally are from India

27%

Gen Z representation in India's overall workforce

35%

Indian Gen Z involved in some form of business or gig economy work, with over 50% expressing interest in freelance work

~88%

Representation of Gen Z and millennials together in total Indian tech workforce in 2025

40%

Indian investors who are less than 30 years of age as of 2024, up from 23% in 2019

32%

Share of total digital payment transactions (by volume) in India driven by Gen Z

INR 3.5-4 trillion

Retail loans availed by Gen Z in India in FY24 alone

INR 4.4 trillion

Total deposits held by individuals aged 15 to under 25 years

Sources: World Bank, Reserve Bank of India, NSE, NASSCOM, WeForum, Inc42, Redseer

The tech-savvy generation: How Gen Z is redefining digital engagement and connectivity

Gen Z prefers digital platforms for transactions and investing but remains cautious about trusting financial advice from digital apps. While they trust digital as a medium, they still rely on trusted family and friends for financial guidance.

1. Digital natives: Always connected

Gen Z in India spends an average of eight hours per day online, with a significant portion devoted to social media, digital content, and online interactions. This “always-on” lifestyle enhances their adaptability, productivity, and engagement with fast-paced digital environments.

2. Dominating social media conversations

Millennials and Gen Z are the primary drivers of social media engagement in India. About 52.3% of social media content comes from Millennials, while 28.4% of social media conversations are led by Gen Z. Their reliance on digital platforms influences how they consume information, engage with brands, and make financial decisions.

Despite being highly active on social media, Gen Z can also distrust digital apps. Growing up in the social media era, their heightened awareness of misinformation can be a factor that makes them rely on close family and friends for financial advice over digital platforms.

Only 17% of Gen Z trust social media and digital apps for financial advice

3 Trust in digital financial advice

While traditional financial advisors remain relevant, Gen Z is increasingly turning to social media and digital platforms for guidance, highlighting the need for credible and transparent digital financial education.

These platforms offer accessibility, convenience, and a sense of community. They can quickly access information, compare products, and learn from peers, all from the comfort of their smartphones. This ease of access, coupled with the engaging and often entertaining nature of social media content, makes digital platforms an attractive alternative to traditional financial advisors.

4. Digital first financial behavior

Gen Z's approach to banking and financial management is deeply rooted in technology-driven solutions such as UPI. Our survey data underscores this transformation, illustrating a generation that prioritizes digital platforms for both everyday transactions and long-term financial planning. Are we witnessing a complete overhaul of traditional financial norms? The numbers certainly suggest a significant shift.

69% of Gen Z prefer UPI for payments, compared to 16% who opt for cash

Think about it: the speed and convenience of scanning a QR code or transferring funds with a few taps on a smartphone have become ingrained in Gen Z's daily routines. This preference for digital payments is not just about convenience; it reflects a broader shift towards a cashless society where digital transactions are the norm.

The digital-first approach extends beyond everyday payments to investment strategies. Gen Z prioritizes digital investment platforms that offer seamless experience, transparency, and personalized insights. They seek platforms that enable easy access to investment options, align with their goals, and support wealth creation.

Are financial institutions fully leveraging this appetite for digital investment tools? The ability to access real-time market data, execute trades, and manage portfolios from the convenience of a mobile device is clearly appealing to Gen Z.

7 in 10 Gen Z preferred online applications* to invest

*Note: Online applications include bank apps, online banking tools and investments apps
Sources: Nokia India Mobile Broadband Index report 2022, MLAR report



4

Understanding Gen Z's financial priorities



Gen Z, a generation blending digital prowess with a quest for trust, is reshaping financial norms, demanding personalized guidance and transparent practices, and forging a new era of informed financial decision-making.

Gen Z, a generation poised to redefine financial norms, approaches fiscal matters with a blend of digital fluency and a deep-seated desire for human connection.

Their financial priorities, as illuminated by our in-depth analysis, underscore a fundamental quest for trust and clarity.

Trust, the cornerstone of their financial engagements, manifests not only in their reliance on established institutions but also in the enduring value they place on personal relationships. They seek clarity, personalized guidance, and demonstrable expertise from Financial Service providers.

This generation, while deeply embedded in the digital realm, recognizes the enduring value of human interaction, valuing relationships and seeking advice from trusted sources. They are driven by a forward-thinking perspective, focusing on long-term financial well-being and informed decision-making.

In essence, Gen Z's financial priorities are shaped by a desire to cultivate enduring financial partnerships, embracing both the convenience of digital solutions and the reassurance of human guidance. They are poised to redefine the financial ecosystem, demanding transparency, personalization, and a commitment to their long-term financial success.

Understanding Gen Z's financial priorities



4.1 Navigating trust and technology: Seeking financial advisory in the digital age

Trust is the bedrock of any successful financial advisory relationship, and this holds especially true for Gen Z. This generation, while digitally savvy, prioritizes personal connections and clarity when seeking financial advice. Their approach reflects a strong preference for simplified guidance, proven expertise, and future-oriented financial planning.

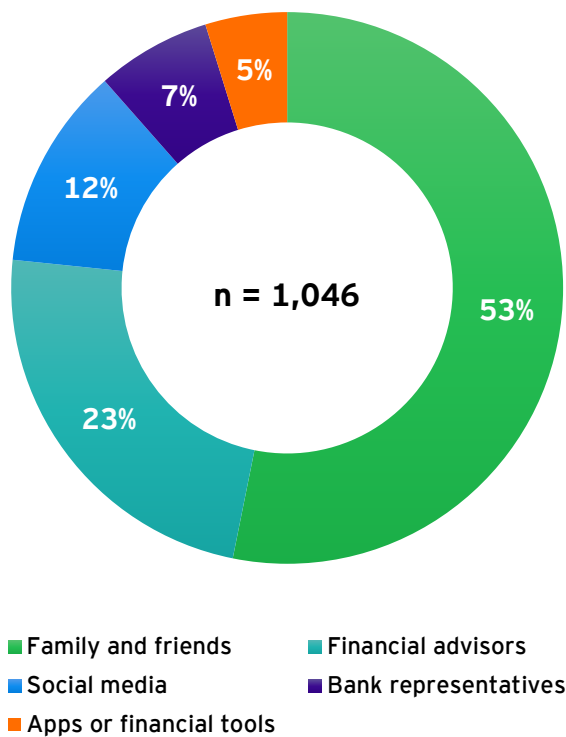
The power of personal touch

83% of Gen Z still prefer a personal touch when seeking financial guidance

While Gen Z is often considered the digital generation, our findings underscore the enduring importance of human interaction in financial advice. A striking 83% of Gen Z still prefers a personal touch when seeking financial guidance, turning to family, friends, financial advisors, and bank representatives.

This preference for personal connection significantly outweighs the 17% who rely on social media, apps, or financial tools. This suggests that even in a digital age, the human element remains crucial for building trust and understanding complex financial matters.

Who do you trust the most for financial advice?



Why is personal touch so important in financial advisory? Our data shows that Gen Z trusts family and friends (53%) for their clear and simple explanations (56%) and personal recommendations (52%). This highlights the need for financial institutions and advisors to offer personalized and understandable advice.

However, trust levels vary significantly by gender.

57% men seek advice from family and friends; but only 34% of women do so

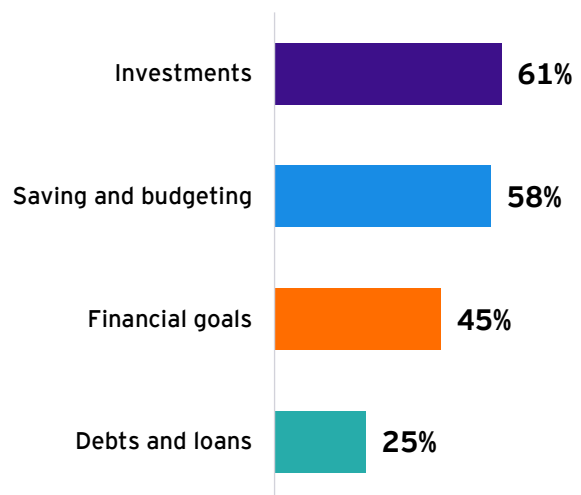
This could indicate that young women are more digitally savvy, turning to online resources and structured financial platforms for guidance. It highlights a shift towards self-reliance and the growing importance of digital literacy in empowering women to make informed decisions.

Future-focused and financially disciplined

Six in 10 Gen Z seek advice on investments, saving and budgeting

Gen Z's financial priorities reflect a forward-thinking approach. Their top areas of seeking advice revolve around investments (61%), savings and budgeting (58%), and financial goals (45%), demonstrating a strong desire for financial discipline and long-term planning.

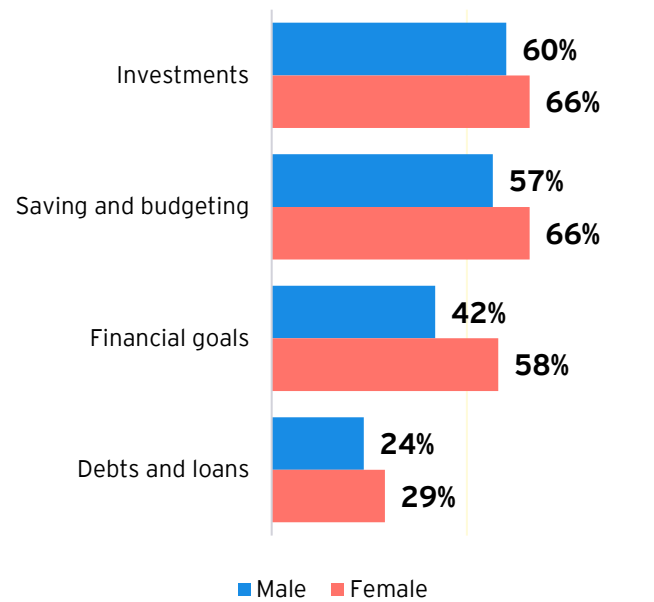
What financial topics do you usually seek advice for?*



*This question allows for multiple selections, the total percentage will not tally to 100%

This future-oriented mindset is even more pronounced among female Gen Z, with 66% seeking advice on investments and savings/budgeting, and 58% on financial goals, compared to 60%, 57%, and 42%, respectively, for their male counterparts.

What financial topics do you usually seek advice for?*



*This question allows for multiple selections, the total percentage will not tally to 100%

This suggests that women Gen Z are particularly proactive in securing their financial future. It also indicates a significant opportunity for financial advisors to cater to this aspiration and provide tailored guidance.

Trust in traditional institutions

Despite their digital fluency, Gen Z demonstrates a surprising level of trust in traditional financial institutions. When asked why they trust financial advisors, the top reasons include clear and simple explanations (58%), a proven track record (50%), and personal recommendations (49%). This highlights the importance of demonstrable expertise and transparent communication for advisors.

Bank representatives are perceived as trusted sources who provide accurate information and personalized recommendations, with a combined 83% of Gen Z valuing these qualities – reinforcing the continued importance of traditional banks in delivering reliable financial advice.



Furthermore, formal banking institutions continue to be critical pillars of financial security for Gen Z. In cases of financial fraud, nine in 10 had reached out to a bank or cyber cell. This reliance on formal institutions highlights the deep trust Gen Z places in regulated financial entities to resolve issues effectively.

Additionally, 57% of respondents believe it is possible to recover lost money after fraud, further reinforcing the perception that official banking channels and law enforcement agencies provide a safety net. However, challenges such as poor customer service (13%), complicated procedures (17%), and lack of transparency (12%) remain barriers to a seamless fraud resolution process.

Four in five Gen Z value bank representatives for accurate information and personalized recommendations while seeking financial advice

AI chat bot trade-offs: Privacy versus personalized information

AI-driven financial advisory is still in its early stages of trust-building. While 53% of Gen Z respondents are open to using AI chatbots for financial advice, nearly half remain skeptical. The main concerns include data privacy (46%) and the lack of personalized recommendations (34%).

When it comes to trusting AI-driven advisory services, large banks such as state-owned banks enjoy the highest trust levels (62%), significantly outpacing large private big-tech players (32%) and startups (6%). This highlights a broader sentiment: Gen Z places more confidence in well-established institutions when dealing with sensitive financial data.

Nearly half of Gen Z are concerned about data privacy when it comes to using AI chatbots for financial advice

However, a significant 65% of Gen Z would share financial data with an AI chatbot if it provided personalized recommendations. This clearly indicates the trade-off Gen Z is willing to make: personalized insights in exchange for data.

65% of Gen Z would share financial data with an AI chatbot if it provided personalized recommendations

4.2 Banking with confidence: Convenience, trust and experience as pillars of modern finance

Gen Z's banking habits reveal a generation that is strategic and discerning. While many assume digital natives would flock to new-generation banks, our research shows a more nuanced picture. Convenience of bank branches and reputation remain powerful drivers in choosing a primary bank account, while the desire for better features and rewards is a key factor in managing multiple accounts.

Multiple accounts, strategic purposes

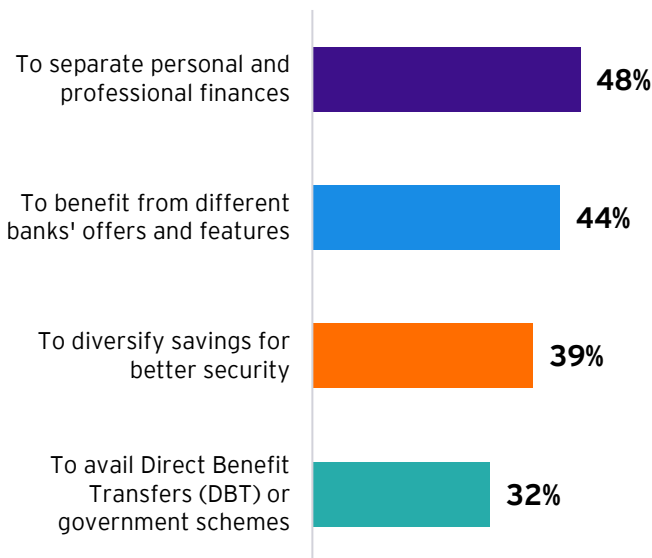
A significant portion of Gen Z (52%) holds more than one bank account, with 38% having two, 9% having three, and 5% having even more. This suggests a strategic approach to managing finances, with different accounts serving distinct purposes.

63% of female Gen Z hold multiple bank accounts compared to 50% among males

Our data reveals that the top reasons for having multiple accounts are separating personal and professional finances (48%), benefiting from different banks' offers and features (44%), and diversifying savings for better security (39%).

This highlights a generation that is not only digitally savvy but also financially organized.

What are your main reasons for having multiple bank accounts?#

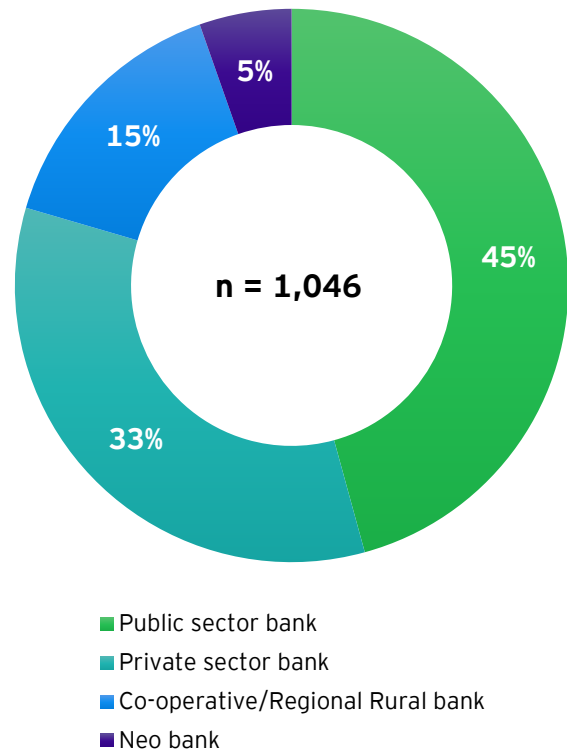


#This question allows for multiple selections, the total percentage will not tally to 100%

Trust in traditional institutions

Despite the rise of neobanks, traditional institutions still hold sway when it comes to primary bank accounts*.

Which type of bank is your primary/main account?^



^Total may not add up to 100% due to "Others" (2%) category

Public sector banks remain the top choice for 45% of Gen Z, primarily due to convenience of branch and ATM locations (32%), reputation and trustworthiness (30%), and ease of opening an account (17%).

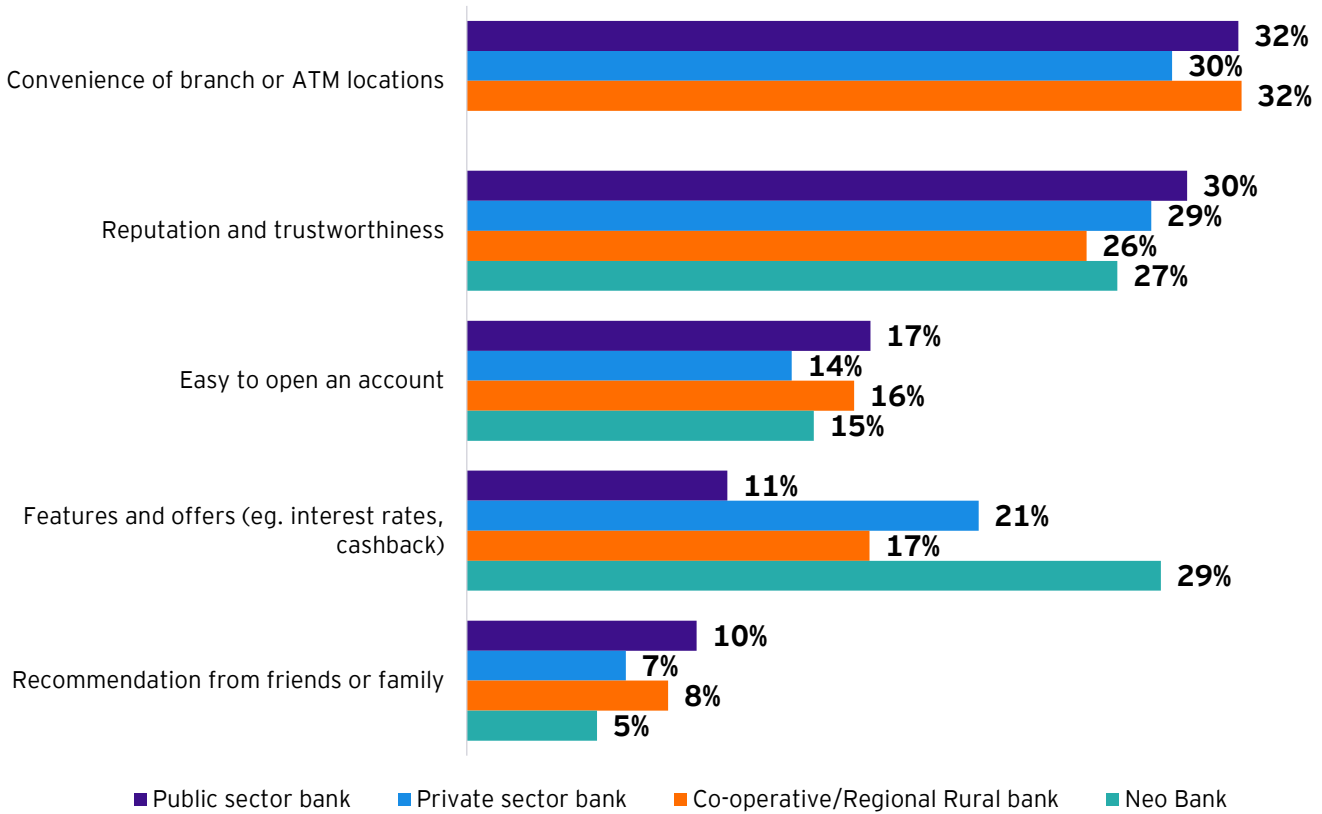
Nearly half of Gen Z choose public sector banks as their primary bank, citing convenience to bank branches and ATMs and reputation as key factors

*Note: A primary bank account is the main account used to receive money and make payments. It's may also be the main account linked to a card.

Private sector banks are at the forefront, with 33% of Gen Z choosing them as their primary bank. While convenience and reputation are still important (30% and 29%, respectively), attractive features and offers play a larger role here (21%). This suggests that while Gen Z appreciates the stability and accessibility of traditional banks, they also seek competitive features and benefits.

Neobanks, while growing in popularity, currently serve as primary accounts for only 5% of Gen Z, with features and offers being the biggest draw (29%).

Why did you choose the bank as your primary/main bank?*



*This question allows for multiple selections, the total percentage will not tally to 100%



The mobile app experience gap

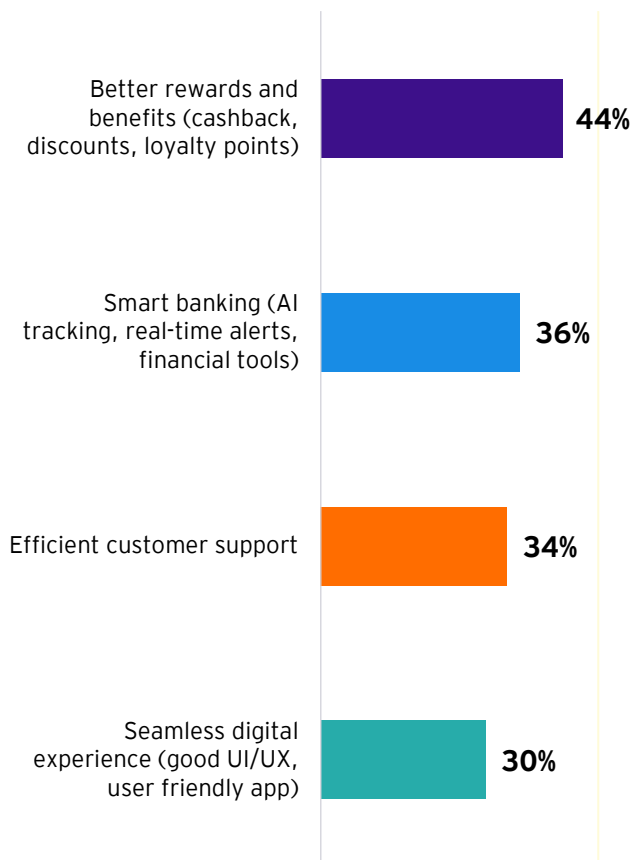
While Gen Z is comfortable with digital banking, there is a clear gap between expectation and reality when it comes to mobile app experience. Only one in three (32%) Gen Z is very satisfied with their primary bank's mobile app, while nearly one in three (30%) is dissatisfied.

One in three Gen Z are dissatisfied with their primary bank's mobile app experience

This presents a significant opportunity for banks to improve their digital offerings. When asked what features they would like to see improved, Gen Z cited better rewards and benefits (44%), smart banking features like AI tracking and real-time alerts (36%), efficient customer support (34%), and a seamless digital experience with good UI/UX (30%).

This underscores the need for banks to not only offer robust digital platforms but also to continuously enhance them based on customer feedback and evolving expectations. How can banks continue to evolve and meet these changing needs?

What features would you like your bank to improve?*



*This question allows for multiple selections, the total percentage will not tally to 100%



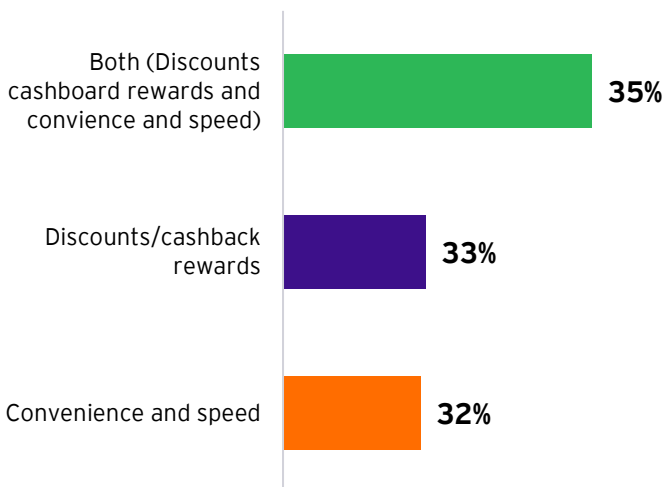
4.3 Swipe, tap, reward: Crafting the seamless symphony of convenient payments

Convenience and rewards are no longer just desirable features in payment methods, they are essential drivers. This is particularly evident in India, where the payments ecosystem has witnessed a dramatic transformation in recent years. Our recent survey data reveals a clear dominance of digital payment methods like UPI, alongside a continued interest in credit cards driven largely by rewards.

The rise of UPI: Convenience and rewards in action

The survey highlights the remarkable success of UPI as the dominant payment method, with 69% of Gen Z conducting transactions through this platform. This surge in UPI adoption can be directly attributed to its inherent convenience and speed.

What are your reasons for selecting UPI as your preferred mode of payment?*



However, convenience is not the only factor at play. Our data also reveals that 68% of UPI users are drawn to the platform due to the discounts and cashback rewards it offers. This underscores the importance of incentivizing digital transactions, demonstrating that even with a highly convenient platform, rewards can further accelerate adoption and usage.

Credit cards: Rewards reign supreme

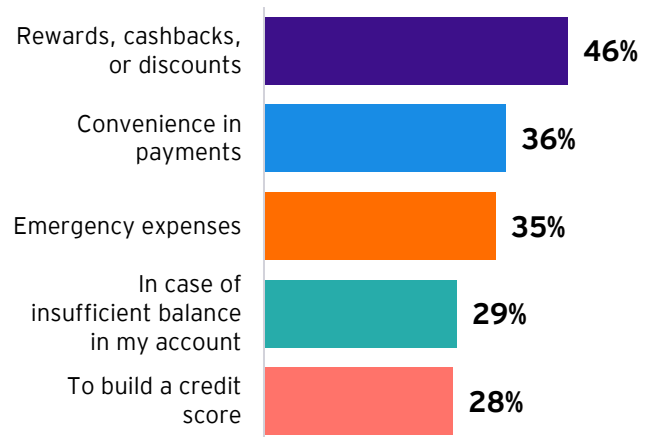
While UPI dominates day-to-day transactions, credit cards maintain a strong appeal, particularly for larger purchases and specific benefits.

One in two Gen Z own at least one credit card

*This question allows for multiple selections, the total percentage will not tally to 100%

Card ownership data indicates a healthy credit card market, but what is driving this interest in credit cards? Our survey reveals that the most popular reason for card ownership is "Rewards, cashbacks, or discounts," with 46% of respondents selecting this option.

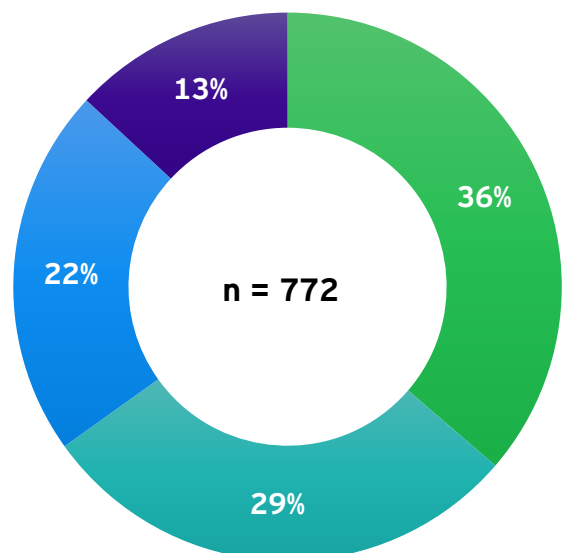
Why do you own a credit card?*



Cashback is king, but points still matter

Drilling down into reward preferences, cashback emerges as the most popular choice, with 36% of respondents favoring this type of incentive. The appeal of receiving direct financial benefits is undeniable, especially in a price-sensitive market. However, 29% of respondents indicate reward points as their preferred reward type.

Which is your most preferred type of credit card reward?



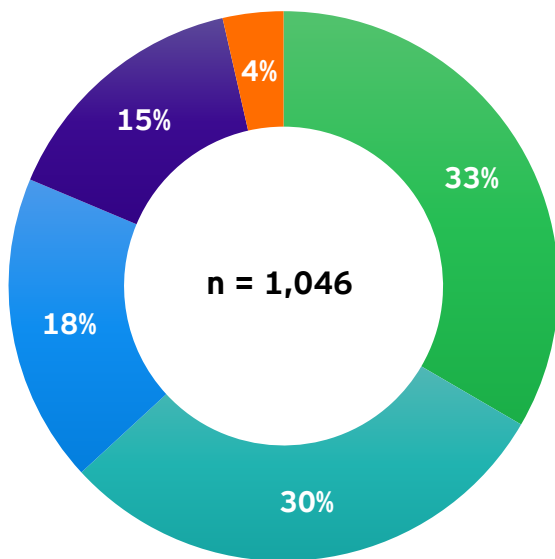
■ Cashback ■ Discount offers
■ Reward points ■ Airport lounge access

4.4 Smart planning: Mastering the art of aspirational spending with financial discipline

Gen Z are often painted as impulsive spenders, but our survey reveals a more nuanced picture. A remarkable 81% demonstrate some level of financial planning, budgeting, and spending management. However, while a promising 33% actively budget and stick to it, a significant two-third face challenges in maintaining financial discipline. This suggests budgeting is emerging as a whitespace.

Two-thirds Gen Z face challenges in budgeting

How do you manage your spending?



- I actively budget and stick to it
- I actively budget but sometimes overspend
- I only keep a mental account of my expenses
- I spend without planning
- I do not budget

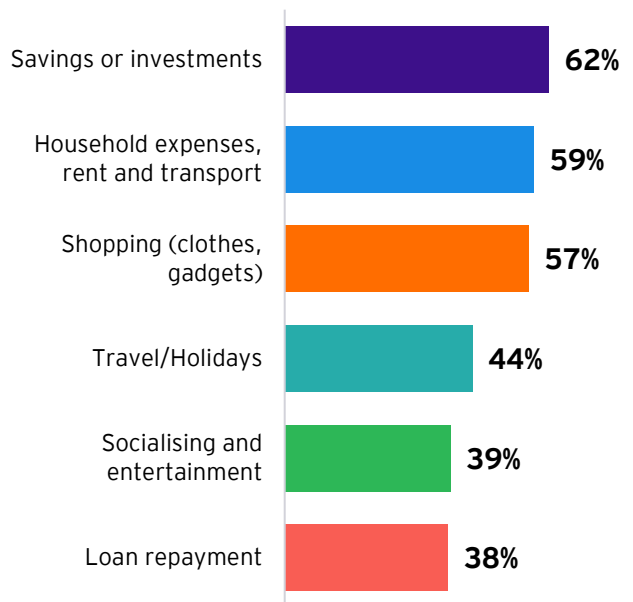
A notable 15% admit to spending without planning, and 4% do not budget at all, highlighting a need for targeted financial literacy initiatives. Interestingly, female Gen Z members exhibit greater financial discipline, with 37% actively budgeting and sticking to it, compared to 32% of their male counterparts.

81% of Gen Z demonstrate some level of financial planning, budgeting, and spending management

Where does their money go?

Contrary to popular belief, savings and investments top Gen Z's spending list at 62%, signaling a strong focus on long-term financial security. This is particularly true for women, with 66% prioritizing savings and investments compared to 61% of men. Could this be an indication of a more future-oriented mindset? Unavoidable expenses like household costs, rent, and transport come in second at 59%.

Which categories do you spend the most on in a typical month?*



*This question allows for multiple selections, the total percentage will not tally to 100%

Gen Z also prioritize a balanced lifestyle, allocating 57% of their spending to shopping (clothes, gadgets) and 44% to travel and holidays. This suggests a desire for experiences and self-expression.



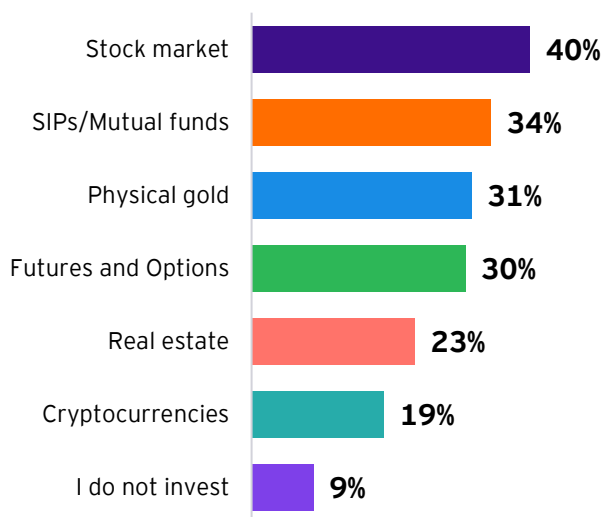
4.5 Measured moves: Crafting a risk-calibrated strategy for investment success

Gen Z demonstrate a balanced approach to investing. Our survey reveals a generation keen on diversifying their portfolios while prioritizing safety and ease of use. This measured approach underscores a growing financial maturity and a desire for long-term stability.

Portfolio diversification, though not without risk

On average, one in three Gen Z individuals are actively participating in market-linked investments, with 40% investing in the stock market, 34% in SIPs/Mutual funds, and 30% in Futures & Options – a segment known for its higher risk and volatility. This highlights not only Gen Z's appetite for growth opportunities but also their willingness to explore riskier investments in pursuit of higher returns.

Where do you currently invest your money?*



Physical gold remains a popular choice, particularly among female Gen Z (37%) and those in South India (40%), reflecting regional and gender-specific preferences. Real estate also captures their attention, with 23% investing in this asset class, a figure that rises to 33% in Western India. Cryptocurrencies, while present in 19% of portfolios, suggest a cautious foray into higher-risk investments.

This diversified approach highlights a generation that understands the importance of spreading risk across various asset classes. Moreover, digital investments are clearly favored over physical ones, showcasing a tech-savvy generation embracing online platforms

40% of Gen Z invest in the stock market

Barriers to entry and the need for financial education

Despite their interest in investing, many Gen Z individuals face significant barriers. A substantial 33% cite a lack of sufficient funds as the primary reason for not investing, indicating that many are still studying or early in their careers.

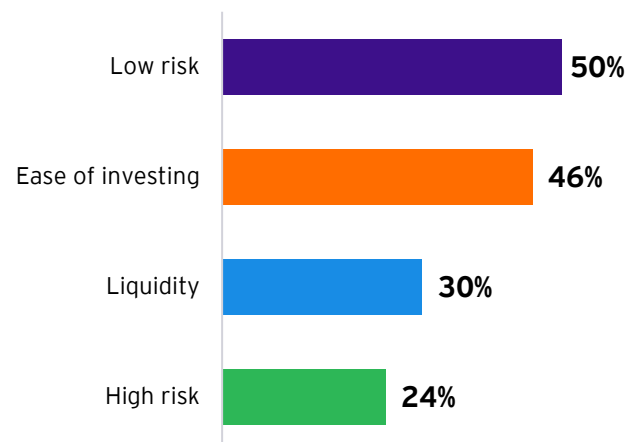
Knowledge gaps are also prevalent, with 26% stating they lack sufficient investment knowledge and 18% unsure how to begin. This highlights a critical need for accessible and engaging financial education. This highlights the growing demand for more user-friendly digital tools and platforms, requiring continuous innovation to meet evolving customer expectations.

One in three Gen Z individuals cite a lack of sufficient funds as a barrier to investing

Prioritizing safety, ease, and trust

When choosing investment options, Gen Z prioritizes low risk (50%) and ease of investing (46%). This desire for simplicity and security is further emphasized by the importance of liquidity (30%) to address immediate financial needs.

What factors influence your choice of investment options?*



*This question allows for multiple selections, the total percentage will not tally to 100%

Demanding seamless experiences and transparent tools

When evaluating investment platforms, ease of use and a simple interface are paramount, reflecting a desire for seamless experiences that minimize friction and maximize efficiency. Reputation and trust are also critical, especially for a generation that has witnessed financial instability and the rise of digital scams. The ability to track investments in one place is another key factor, indicating a desire for consolidated and transparent portfolio management.

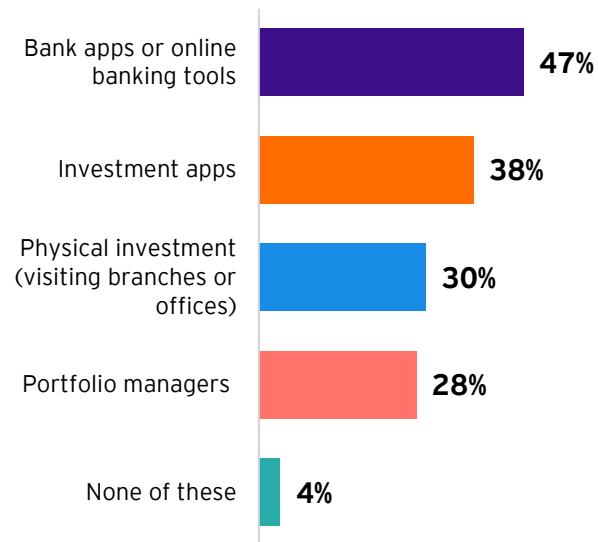
42% of Gen Z value ease of use and a simple interface in investment platforms, while **39%** consider reputation and trust as critical factors



Choosing providers that align with their preferences

The preference for specific investment options and their desired traits in investment platforms directly influences their choice of investment solution providers. They are seeking tools and platforms that offer transparency, simplicity, and personalized solutions.

Which of the following tools or platforms have you used for investment?*



*This question allows for multiple selections, the total percentage will not tally to 100%

The significant adoption of bank apps and online banking tools (47%) demonstrates that traditional financial institutions still hold considerable sway with Gen Z. This suggests that these institutions can leverage their established trust and infrastructure to offer competitive investment solutions.

47% of Gen Z use bank apps or online banking tools for investments

The growing popularity of investment apps (38%), indicates that FinTech platforms are successfully catering to the specific needs of Gen Z, offering user-friendly interfaces, low fees, access to a wide range of investment options and aggregated views of their investments.

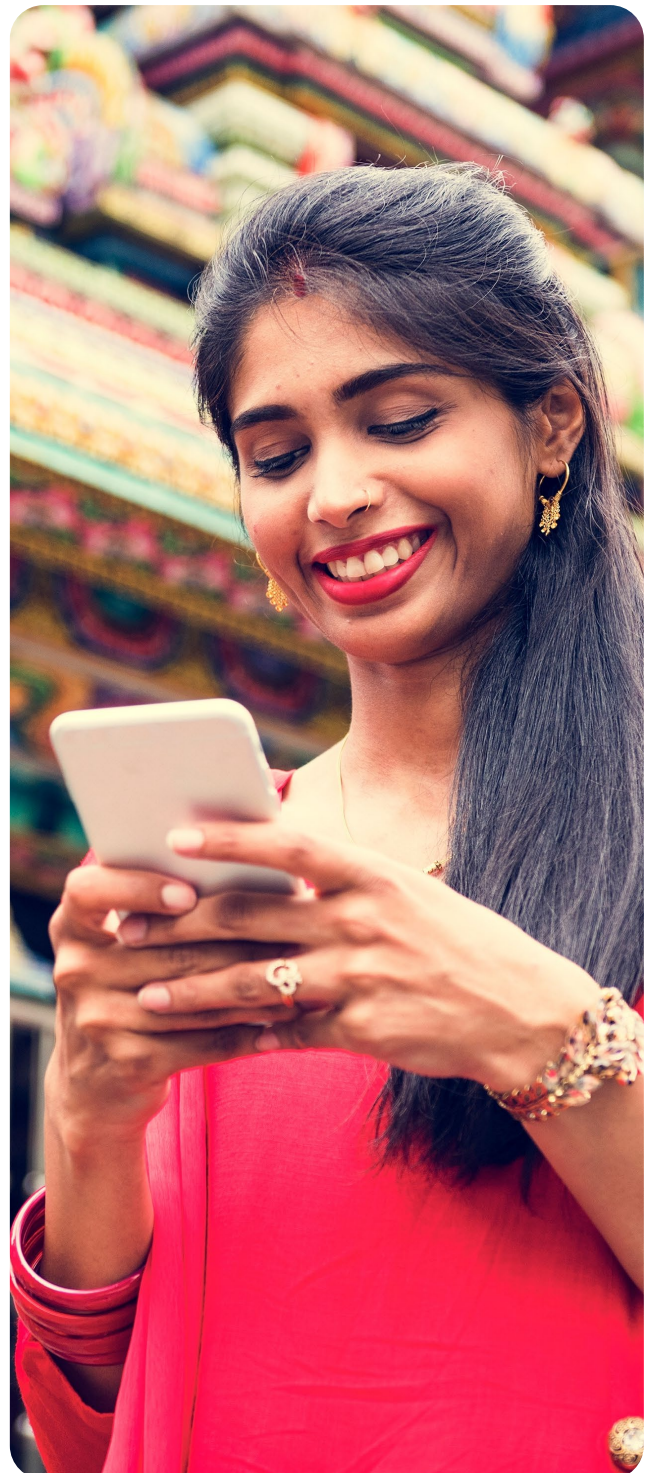
Physical investments through branches or offices also remain relevant for 30%, likely reflecting their importance in rural areas.

Sources of influence: Experts, peers, and social media

Investment decisions are influenced by a combination of factors. Recommendations from friends and family (27%) and advice from financial experts (29%) are the most influential. Notably, financial experts hold more sway with female Gen Z (36%), while social media financial influencers are more influential among males (24%).

This highlights the need for diverse communication strategies to reach different segments of Gen Z. It also points to the evolving landscape of financial advice, where traditional expertise coexists with digital influence.

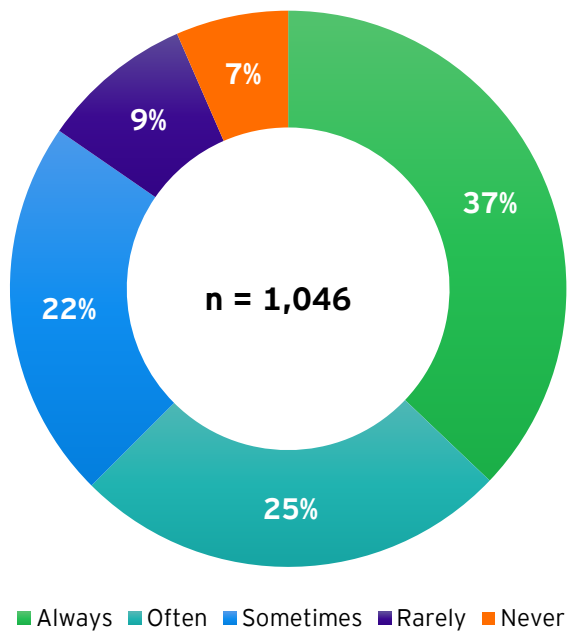
Gen Z are not simply following trends; they are making informed investment decisions based on their priorities and preferences. They are seeking a balance between growth and security, convenience and trust. Understanding these nuanced preferences is essential for financial institutions and FinTech companies looking to engage with this generation and empower them to achieve their financial goals.



4.6 Savvy saving secrets: Unravelling the motives and mentors behind money moves

Gen Z is often characterized as living in the moment, but our survey reveals a generation with a strong focus on financial planning and a desire for a secure future. A remarkable 93% of Gen Z set aside a portion of their money for savings, with 37% doing so consistently. This high percentage underscores a fundamental understanding of the importance of saving. However, the fact that only a little over a third "always" save, suggests that while the intention is there, the execution might be inconsistent.

Do you regularly set aside a portion of your money for savings?



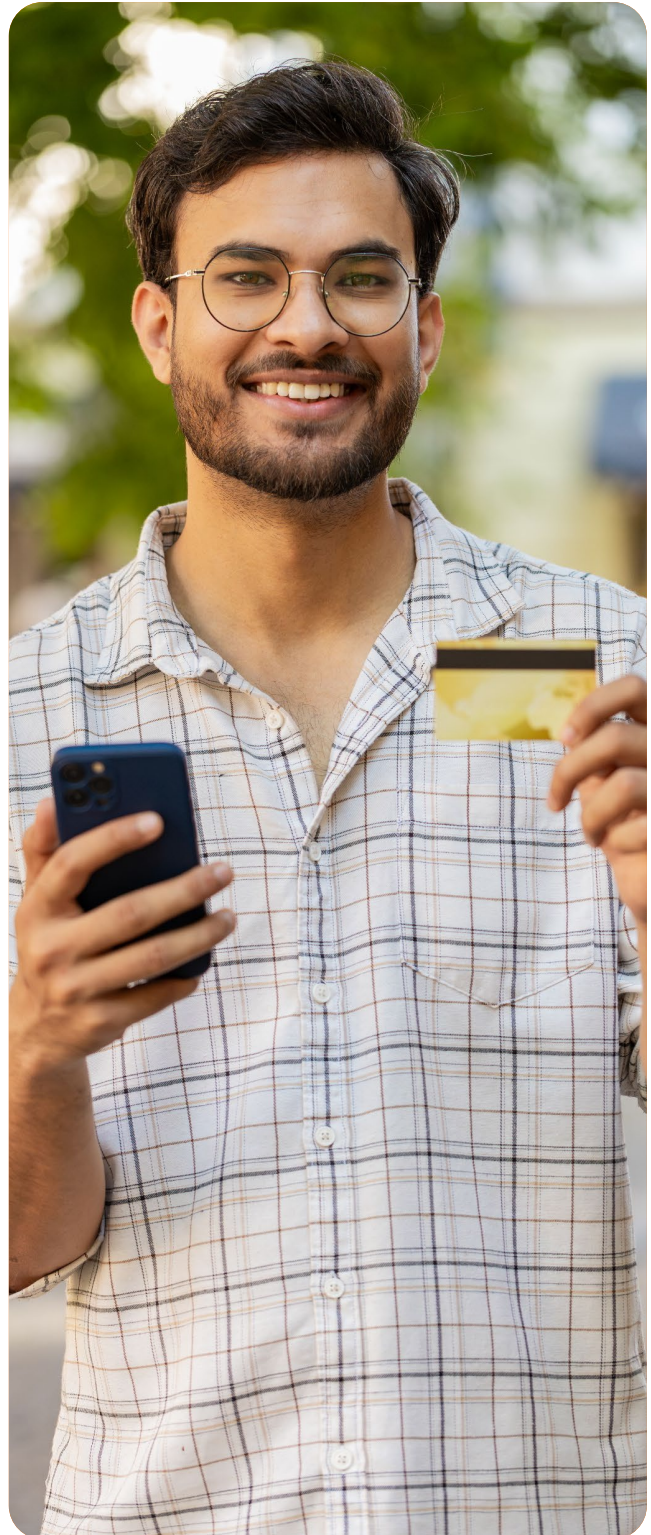
Six out of 10 Gen Z are regular savers

Where do they save?

Savings accounts remain the most popular saving vehicle for Gen Z at 63%, which can indicate that funds are sitting idle. Fixed deposits and recurring deposits are also favored by 37%, followed by insurance-based saving plans at 31% and government schemes at 25%, to earn higher returns.

Interestingly, female Gen Z members show a stronger preference for these "safer" options, with 43% opting for FDs/RDs compared to 36% of males. This could reflect a greater risk aversion among young women. Informal methods like cash at home and chit funds still account for 22% of savings, suggesting a need for greater trust in formal financial institutions and education about modern investment options.

63% of Gen Z prefer savings accounts as their primary savings vehicle

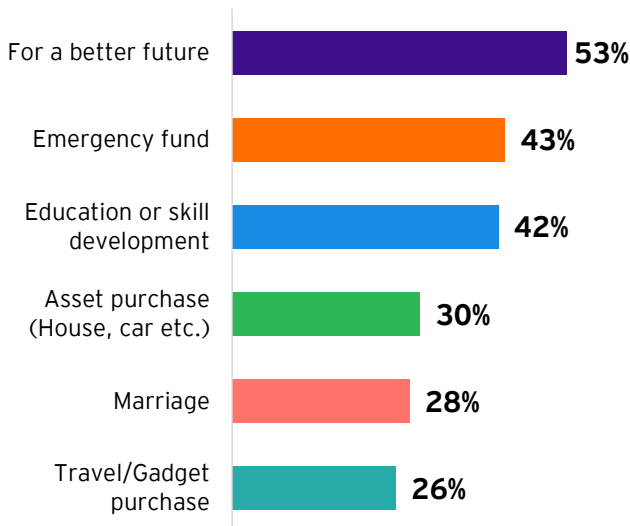


The drivers of saving

Gen Z's primary motivation for saving is "for a better future," demonstrating a long-term perspective. Emergency funds and education/skill development are also key drivers, indicating a proactive approach to managing unforeseen circumstances and investing in themselves.

Men are slightly more driven by future aspirations (57% versus 41% for women) and asset purchase (33% versus 21%). It is important to understand the reasons behind these differences, which may include societal expectations, financial literacy levels, or other contributing factors.

What are your primary reasons for saving?*



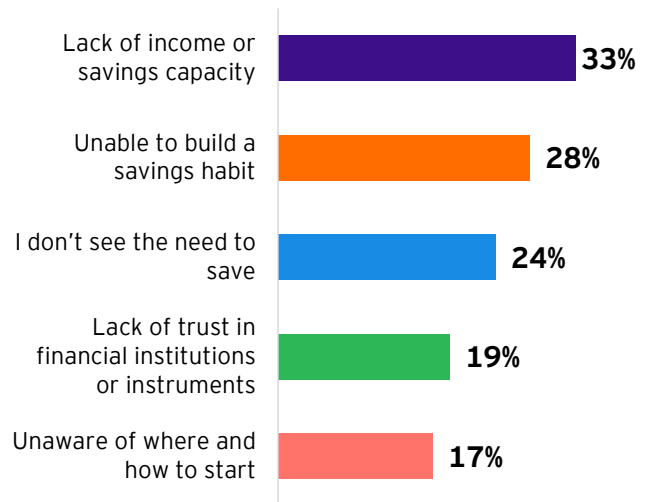
Influences and barriers

When choosing savings products, safety of money (65%) and ease of use (56%) are paramount for Gen Z. Liquidity is also a significant factor, especially for women (49% versus 35% for men).

For the small percentage of Gen Z who do not save regularly, the primary reason is lack of income or saving capacity, which is understandable given that many Gen Z are likely still studying or early in their careers.

However, a significant 68% cite reasons like inability to build a saving habit (28%), lack of perceived need (24%), and lack of knowledge about where and how to start (17%). This points to a crucial need for targeted financial education and accessible, personalized investment products. It is also alarming to note that 19% cite a lack of trust in financial institutions. Rebuilding this trust is vital.

What are the main reasons for not saving money regularly?*



When it comes to savings and investment choices, recommendations from friends and family (27%) and advice from financial experts (29%) are most influential. While financial experts hold more sway with women (36% versus 27%), financial influencers have a greater impact on men (24% versus 15%). This highlights the need for financial institutions to engage with Gen Z through multiple channels, including digital platforms.

Two out of three Gen Z prioritize safety of money when choosing savings products

*This question allows for multiple selections, the total percentage will not tally to 100%



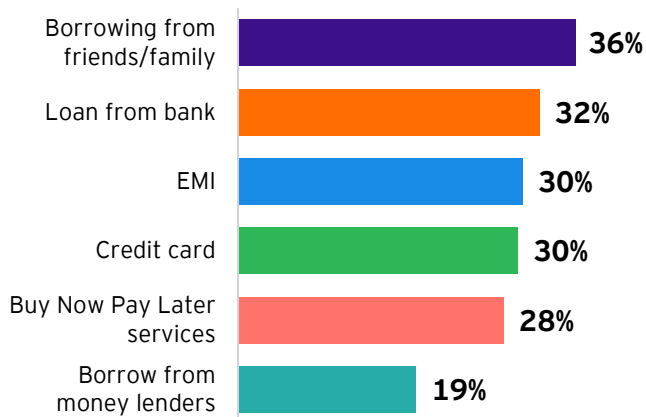
4.7 The borrower's blueprint: Prioritizing trust and affordability in financing choices

Navigating the world of borrowing can be a complex undertaking. Individuals face a multitude of options, from traditional lenders to new-age FinTechs. But what truly drives their choices? The survey sheds light on the key factors influencing borrowing decisions, revealing a strong emphasis on trust and affordability.

From banks to money lenders: Exploring the borrowing landscape

While taking a loan from a bank or financial institution remains a common consideration (36%), it is interesting to note that borrowing from friends and family emerges as the most preferred method overall, also at 38%. This suggests that personal connections and the perceived trust associated with them play a significant role in borrowing decisions. It could be that Gen Z value the flexibility and understanding that often comes with borrowing from close ones.

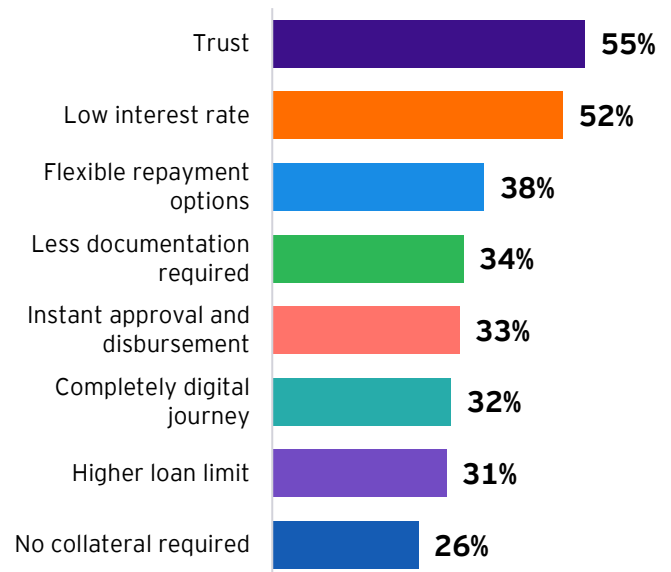
What is your preferred method of borrowing?*



Trust: The foundation of borrowing relationships

When it comes to the most important factors influencing borrowing choices, trust reigns supreme. A remarkable 55% of our respondents consider trust to be the most critical element when selecting a borrowing method. This underscores the importance of transparency, reliability, and ethical conduct in lending practices.

What are the most important factors when choosing a borrowing method?*



Borrowers want to feel confident that they are dealing with a reputable institution that has their best interests at heart. This indicates a significant opportunity for lenders to differentiate themselves by fostering a culture of trust and demonstrating their commitment to responsible lending.

Affordability is also a key consideration for Gen Z, with 52% of respondents ranking low interest rates as a top priority. This underscores their focus on managing debt effectively and highlights the importance of competitive interest rates and transparent fee structures in attracting this cohort.

More than half of Gen Z consider trust and low interest rates the most critical factors when choosing a borrowing method

*This question allows for multiple selections, the total percentage will not tally to 100%

5

Implications and call to action for Financial Services firms



Financial evolution of Gen Z mandates bold action. Forward-thinking firms must revolutionize digital experiences, forge trusted partnerships, and cultivate agile, data-driven strategies to secure their future in India's dynamic market.

The financial landscape is undergoing a seismic shift, driven by the digitally native and expectation-rich Gen Z.

To remain relevant and thrive in this era of rapid transformation, Financial Services firms must transcend traditional paradigms and embrace a future-forward approach. This necessitates a profound understanding of Gen Z's unique financial behaviors, their nuanced trust dynamics, and their insatiable appetite for seamless, personalized experiences.

The insights gleaned from our comprehensive survey illuminate the imperative to not merely adapt, but to actively innovate.

Financial Services firms must forge a strategic alliance with technology, leveraging AI to create intuitive, empowering digital ecosystems. Their focus should be on bridging the gap between traditional and modern financial solutions, crafting integrated offerings that resonate with Gen Z's diverse preferences.

This is not just about attracting a new generation of customers; it is about building enduring relationships founded on trust, transparency, and a shared vision of financial well-being.

The following strategic implications and call to action for Financial Services firms, encapsulated in the FUTURE framework, serve as a clarion call to action, guiding firms towards a future of sustained growth and unparalleled customer engagement.



Banks need to build hyper-personalization and partnerships as Gen Z expect banking to be intuitive, user-friendly, and available on demand.



Pratik Shah

Partner & National Leader,
Financial Services, EY India

Unlock the FUTURE:

Strategic actions to sculpt Financial Services trajectory for Gen Z in India



Foster
channels for
personalized
experience



Unite
convenience
and rewards
in payments



Transform
financial
advisory



Uphold
Gen Z's
financial
discipline



Redefine
brand
engagement



Empower
modern
credit with
flexibility



AI

'FUTURE' of Financial Services: Crafting Gen Z-centric products and services

Aligning strategic actions with key improvements in financial products and services

	Products/ services	Foster channels for personalised experience	Unite convenience and rewards in payments	Transform financial advisory
Products	Cards	<ul style="list-style-type: none"> Spending insights Customizable card controls Real-time alerts 	<ul style="list-style-type: none"> Co-branded and tailored rewards Targeted offers 	<ul style="list-style-type: none"> Transparent in charges/fees Goal-based spending alerts
	Personal loans	<ul style="list-style-type: none"> Scale open banking/APIs to wider customer base 	<ul style="list-style-type: none"> Reward-based payback options (loyalty points on timely EMLs) 	<ul style="list-style-type: none"> Transparent loan features, supported via video tutorials
	Home loans	<ul style="list-style-type: none"> Virtual documentation Scale open banking/APIs 	<ul style="list-style-type: none"> Integrated payments Shorter approval periods 	<ul style="list-style-type: none"> Digital document verification via AI AI-based calculators
	CASA	<ul style="list-style-type: none"> Expand digital onboarding coverage across diverse segments (e.g., rural, women) 	<ul style="list-style-type: none"> Integrated wallets Leverage AI and chatbots 	<ul style="list-style-type: none"> AI-driven financial health checkups
	Deposits	<ul style="list-style-type: none"> AI-driven deposit recommendation Personalized maturity alerts 	<ul style="list-style-type: none"> Seamless deposit transfers via UPI 	<ul style="list-style-type: none"> Robo-advisors for deposit planning Content driven deposit
	Digital payments/ wallets	<ul style="list-style-type: none"> AI driven transaction categorization Voice/gesture-based payments 	<ul style="list-style-type: none"> Co-branded wallet rewards Partner with e-commerce and online retailers 	<ul style="list-style-type: none"> Transparent fee disclosures via chatbot Promote education
	Mutual funds	<ul style="list-style-type: none"> Voice and chat based investment 	<ul style="list-style-type: none"> Cashback on reinvestments Cashbacks for new investors 	<ul style="list-style-type: none"> Real-time alerts Virtual simulators
	Stocks/ equities	<ul style="list-style-type: none"> AI-powered stock screening Real-time market insights via app 	<ul style="list-style-type: none"> Partnerships with trading platforms 	<ul style="list-style-type: none"> AI-driven portfolio rebalancing suggestions Real-time insights
	Insurance	<ul style="list-style-type: none"> AI-driven policy recommendation Virtual processing of claims 	<ul style="list-style-type: none"> UPI premium payments 	<ul style="list-style-type: none"> Content insurance Insurance bundling On-demand insurance
	Digital and online banking	<ul style="list-style-type: none"> AI-powered fraud detection Customizable dashboards 	<ul style="list-style-type: none"> Points for frequent logins/ transactions 	<ul style="list-style-type: none"> AI-driven financial health checkups
Services	Customer support	<ul style="list-style-type: none"> AI chatbots for instant queries 	<ul style="list-style-type: none"> Integrated help centers 	<ul style="list-style-type: none"> Video tutorials On-demand financial advisors
	Financial planning	<ul style="list-style-type: none"> AI driven goal setting Financial roadmaps 	<ul style="list-style-type: none"> Integrated payment solutions for financial goals 	<ul style="list-style-type: none"> Digital literacy content Smart debt management
	Investment advisory	<ul style="list-style-type: none"> AI driven portfolio analysis Real-time insights 	<ul style="list-style-type: none"> UPI investment purchases 	<ul style="list-style-type: none"> Video tutorials for investment AI-powered insights
	Wealth management	<ul style="list-style-type: none"> AI-driven wealth forecasting 	<ul style="list-style-type: none"> Integrated payment solutions for wealth 	<ul style="list-style-type: none"> Goal-based wealth planning

'FUTURE' of Financial Services: Crafting Gen Z-centric products and services

Aligning strategic actions with key improvements in financial products and services

	Products/ services	Uphold Gen Z's financial discipline	Redefine brand engagement	Empower modern credit with flexibility
Products	Cards	<ul style="list-style-type: none"> Gamified spending journey Micro-investments from cashback 	<ul style="list-style-type: none"> Influencer partnerships Green cards/ one-time digital cards 	<ul style="list-style-type: none"> On-demand credit limit customization
	Personal loans	<ul style="list-style-type: none"> Gamified loan repayment Financial literacy initiatives 	<ul style="list-style-type: none"> Green loan options for eco-friendly projects 	<ul style="list-style-type: none"> Alternative credit scoring Flexible repayments
	Home loans	<ul style="list-style-type: none"> Gamified loan journey Budgeting tools Financial literacy 	<ul style="list-style-type: none"> Community events for 1st-time buyers Sustainable home loan options 	<ul style="list-style-type: none"> Flexible mortgage terms/ repayment options Protection plans
	CASA	<ul style="list-style-type: none"> Gamified savings milestones Financial literacy 	<ul style="list-style-type: none"> AI-powered smart saving goals Micro-investing 	<ul style="list-style-type: none"> Instant micro-loans for short term cash flow
	Deposits	<ul style="list-style-type: none"> Gamified deposit growth tracking Automated small deposit features 	<ul style="list-style-type: none"> Sustainable deposit through eco-friendly initiatives 	<ul style="list-style-type: none"> Instant access to micro-funds Tailored/flexible withdrawals
	Digital payments/wallets	<ul style="list-style-type: none"> Budgeting & expense tracking Smart limits Subscription & bill tracking 	<ul style="list-style-type: none"> Influencer campaigns Rewards for eco-friendly transactions 	<ul style="list-style-type: none"> Virtual cards Pay-as-you-spend credit models Subscription-based credit
	Mutual funds	<ul style="list-style-type: none"> Gamified investment 	<ul style="list-style-type: none"> Popularize/right targeting thematic & ESG mutual funds 	<ul style="list-style-type: none"> Fund-backed credit lines Liquidity loans
	Stocks/equities	<ul style="list-style-type: none"> Gamified trading simulations Automated micro-investments 	<ul style="list-style-type: none"> Thematic & ESG-driven portfolios Discussion with peers/influencers 	<ul style="list-style-type: none"> Securities-backed credit lines Instant margin loans for trading
	Insurance	<ul style="list-style-type: none"> Gamified health challenges Micro-insurance 	<ul style="list-style-type: none"> Usage-based insurance Subscription-based coverage 	<ul style="list-style-type: none"> Premium financing Embedded microinsurance credit
	Digital and online banking	<ul style="list-style-type: none"> Smart savings & round-up features AI-driven expense budget management 	<ul style="list-style-type: none"> Influencer-led financial education hubs 	<ul style="list-style-type: none"> Instant credit line with transparent repayments On-demand overdraft protection
Services	Customer support	<ul style="list-style-type: none"> AI-powered financial coaches Interactive voice & video support 	<ul style="list-style-type: none"> Conversational banking Social media integration 	<ul style="list-style-type: none"> 24/7 AI chatbots for credit queries Personalized credit insights
	Financial planning	<ul style="list-style-type: none"> Gamified financial challenges Subscription & bill management 	<ul style="list-style-type: none"> Interactive planning tools Influencer-led education 	<ul style="list-style-type: none"> Scenario-based credit forecasting credit health dashboards
	Investment advisory	<ul style="list-style-type: none"> Auto-rebalancing & smart portfolio adjustments 	<ul style="list-style-type: none"> Social media driven investment education 	<ul style="list-style-type: none"> Securities-based lending Margin lending
	Wealth management	<ul style="list-style-type: none"> Personalized digital portfolio management 	<ul style="list-style-type: none"> Sustainable & impact investing 	<ul style="list-style-type: none"> Portfolio-linked credit lines

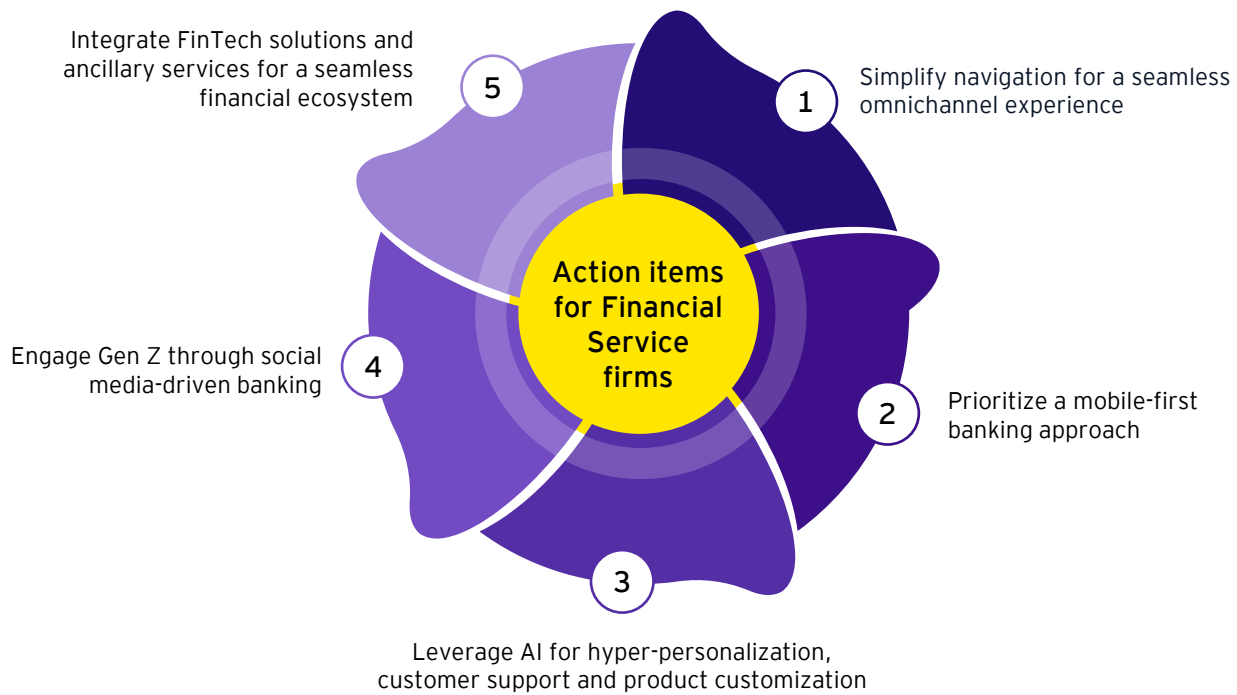
5.1

Foster channels for personalized experience with mobile-first approach, social media engagement, and AI-powered solutions

Poor user experience is biggest pain point for Gen Z as **42%** of dissatisfied users seek better UI/UX

41% of Gen Z seek smart banking tools, while **28%** expect faster, personalized support through a hybrid model combining chatbots and human assistance

How to enable omnichannel experience for Gen Z in India?



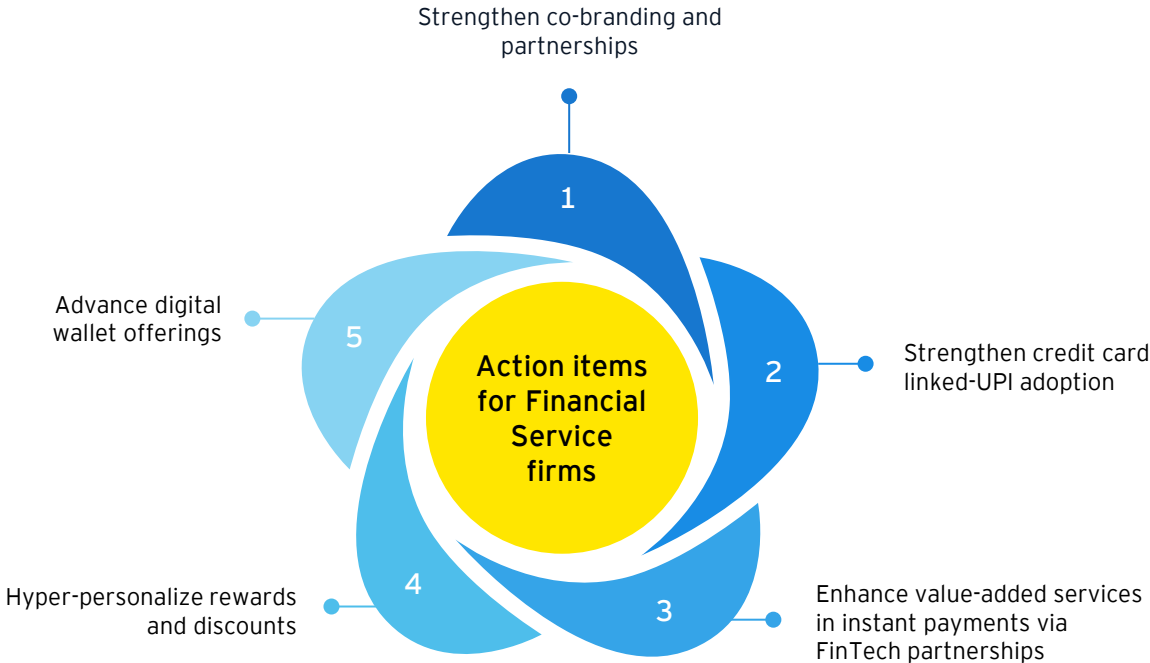
- 1 Simplify navigation for a seamless omnichannel experience:** Offer intuitive UI with easy navigation, visual cues, and voice or gesture interactions across every channel. Also, enable cross-platform continuity, letting users switch channels without re-entering information or losing progress.
- 2 Prioritize a mobile-first banking approach:** Mobiles are crucial in lives of Gen Z, so banks should ensure their mobile apps and websites are intuitive, seamless, and highly functional. Think about easy navigation, quick transactions, and features like instant notifications, personalized content, and customizable dashboards.
- 3 Leverage AI for hyper-personalization, customer support and product customization:** Offer AI-powered chatbots for personalized rewards, and real-time query resolution. Leverage agentic AI for customer support; offer modular products that let users customize and build their own banking solutions.
- 4 Engage Gen Z through social media-driven banking:** Since Gen Z is wary of third-party financial advice on social media, banks have an opportunity to build trust through credible communication and service delivery. Social media is key for customer service, campaigns, and sales, but requires rigorous monitoring.
- 5 Integrate FinTech solutions and ancillary services for a seamless financial ecosystem:** Incorporating popular FinTech tools (for example, personal finance management, digital payments) and ancillary services (such as budgeting, recommendations) can make banking feel more seamless and connected to Gen Z's lifestyle.

5.2 Unite convenience and rewards in payments

~50% of Gen Z use credit cards as their primary payment method, and bank with private sector – likely driven by better rewards and customer support

Gen Z own multiple credit cards, primarily for better rewards and cashback, to build their credit score, and for greater payment convenience

How to unlock seamless payments for Gen Z in India?



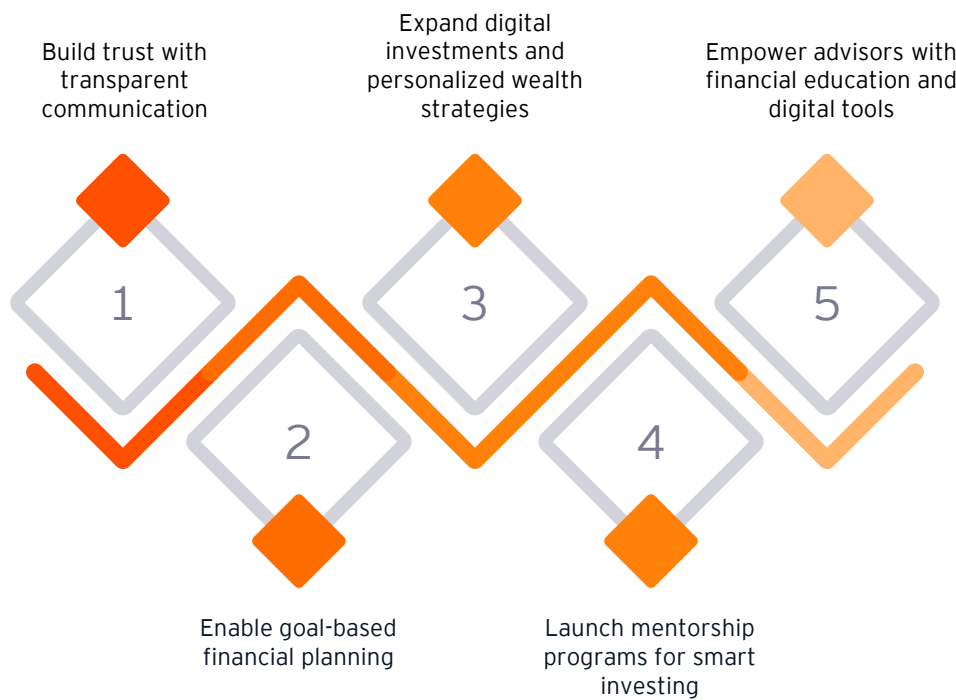
- 1 Strengthen co-branding and partnerships:** Banks should collaborate with e-commerce, travel, and lifestyle brands to offer co-branded cards, exclusive discounts, and integrated payment solutions, enhancing Gen Z's engagement and loyalty.
- 2 Strengthen credit card linked-UPI adoption:** Boost uptake by enhancing user incentives, streamlining risk assessment, and ensuring instant settlements, making credit card-UPI payments more seamless and rewarding for users.
- 3 Enhance value-added services in instant payments via FinTech partnerships:** Partner with FinTechs to enhance real-time P2P payment solutions with advanced fraud detection, and value-added features like automated bill splitting, subscription management, and recurring payment options.
- 4 Hyper-personalize rewards and discounts:** Hyper-personalize rewards tied to Gen Z's spending habits across travel, dining, and shopping. Offer dynamic cashback, tiered benefits, and gamified reward structures to boost engagement.
- 5 Advance digital wallet offerings:** Introduce multi-functional digital wallets supporting UPI and stored-value accounts, ensuring seamless transactions, enhanced security, and Gen Z-friendly financial management features.

5.3 Transform financial advisory with trust, technology, and humanized experience

While **four in five Gen Z** prefer a personal touch when seeking financial guidance, balancing trust in physical and digital channels is crucial

Even though Gen Z trust bank representatives for accurate information and personalized advice, only **13%** trust them for unbiased advice—far behind financial apps at **44%**

How to transform financial advisory for Gen Z in India?



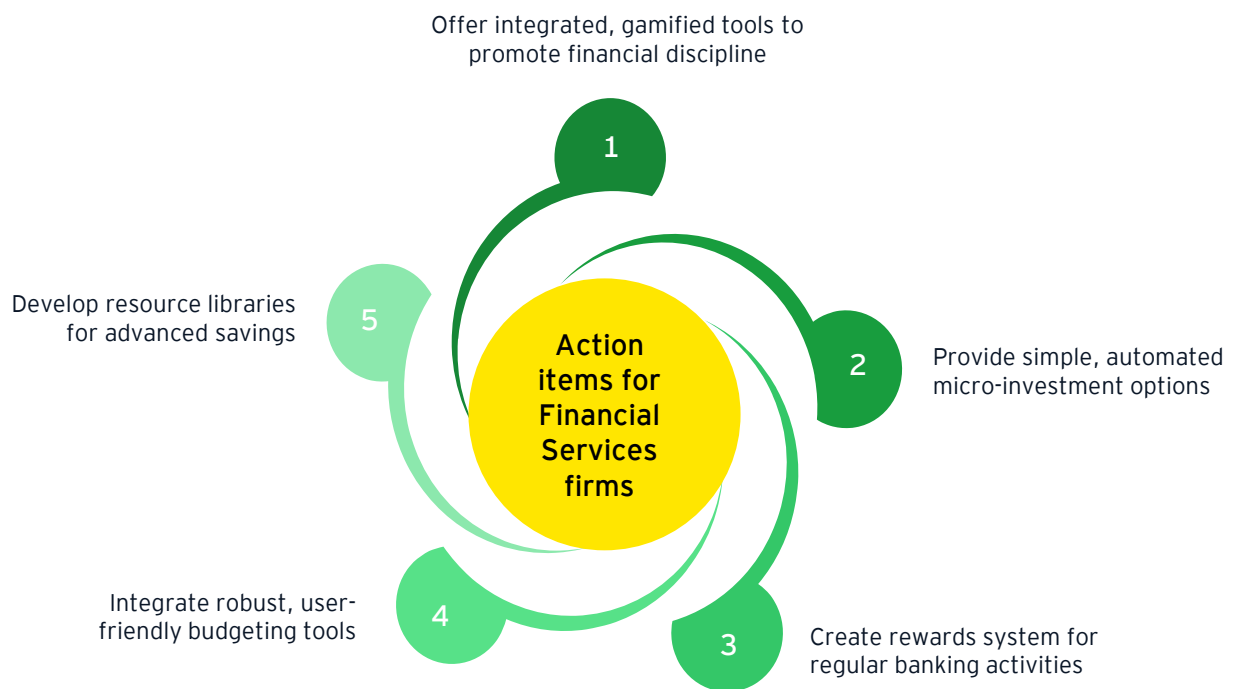
- 1 **Build trust with transparent communication:** Offer clear financial advice with transparent fee structures, prioritize data privacy, and implement ethical AI-driven recommendations. Provide fact-based advisory and demonstrations to align with Gen Z's curiosity. Responsible advocacy is critical to build trust.
- 2 **Enable goal-based financial planning:** Offer AI-powered financial planning tools and apps with a human touch, aligning with Gen Z's short- and long-term goals to build trust and drive popularity. Train advisors to provide hyper-personalized, needs-based guidance beyond generic investment suggestions.
- 3 **Expand digital investments and personalized wealth strategies:** Introduce micro-investment (sachet-sized) solutions, ESG-focused investment options, and robo-advisors tailored to Gen Z's risk appetite. Provide real-time insights and personalized portfolio strategies through intuitive mobile interfaces.
- 4 **Launch mentorship programs for smart investing:** Partner with FinTechs and financial influencers to offer peer-to-peer mentorship and expert-led investment bootcamps. Provide structured programs on savings optimization and alternative assets.
- 5 **Empower advisors with financial education and digital tools:** Use videos, infographics, and interactive content to educate Gen Z on credit, budgeting, and investing. Create interactive dashboards that help clients visualize their financial progress.

5.4 Uphold Gen Z's financial discipline through gamification and integrated tools

Among Gen Z who spend the most on discretionary items, less than **30%** invest in systematic solutions like SIPs or mutual funds

Nearly **70%** of Gen Z who actively budget also save regularly, indicating budgeting and saving go hand in hand

How to uphold Gen Z's financial discipline?



1

Offer integrated, gamified tools to promote financial discipline: Gamify financial services by offering rewards for saving or reaching financial milestones. Save-now-spend-later or goal-based savings approach can enhance customer engagement and make money management more enjoyable for Gen Z.

2

Provide simple, automated micro-investment options: Provide easy-to-use micro-investment features, such as round-up savings or automated small deposits, to attract Gen Z interested in wealth-building but unsure where to start.

3

Create rewards system for regular banking activities: Incentivize engagement through access to premium financial content, exclusive tools, or priority customer support for saving, referrals, and everyday banking. Referral programs can further help drive growth by encouraging Gen Z users to share products with peers.

4

Integrate robust, user-friendly budgeting tools: Embed intuitive budgeting and expense segmentation features directly within banking apps, empowering Gen Z with real-time financial insights and control over their spending.

5

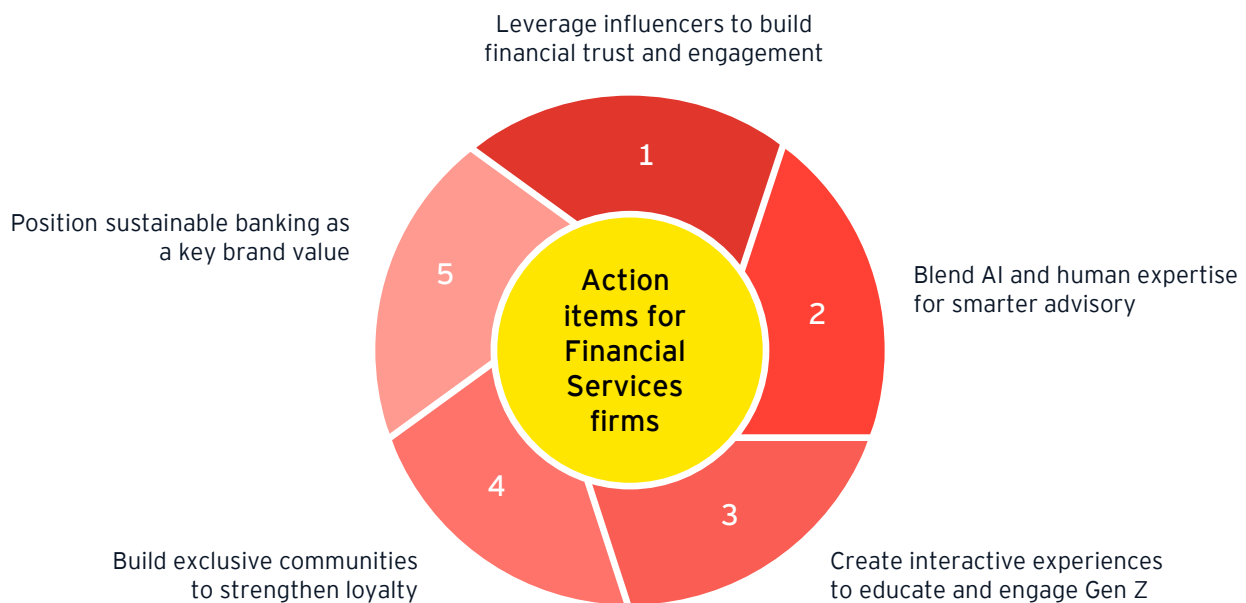
Develop resource libraries for advanced savings: Create interactive content explaining compounding, tax-efficient savings, and smart budgeting. Provide bite-sized video modules, simulation tools, and multilingual content to improve financial literacy. Position banks as trusted financial literacy resources for young users.

5.5 Redefine brand engagement to build lasting connections with Gen Z

Among Gen Z who trust apps or financial tools for advice, **84%** seek guidance on investment-related topics—which is an opportunity to also nudge them to co-opt savings instruments...

...and among Gen Z who trust financial advisors, **75%** seek investment advice—highlighting a preference for a hybrid approach that blends digital convenience with human expertise

How to redefine brand engagement?



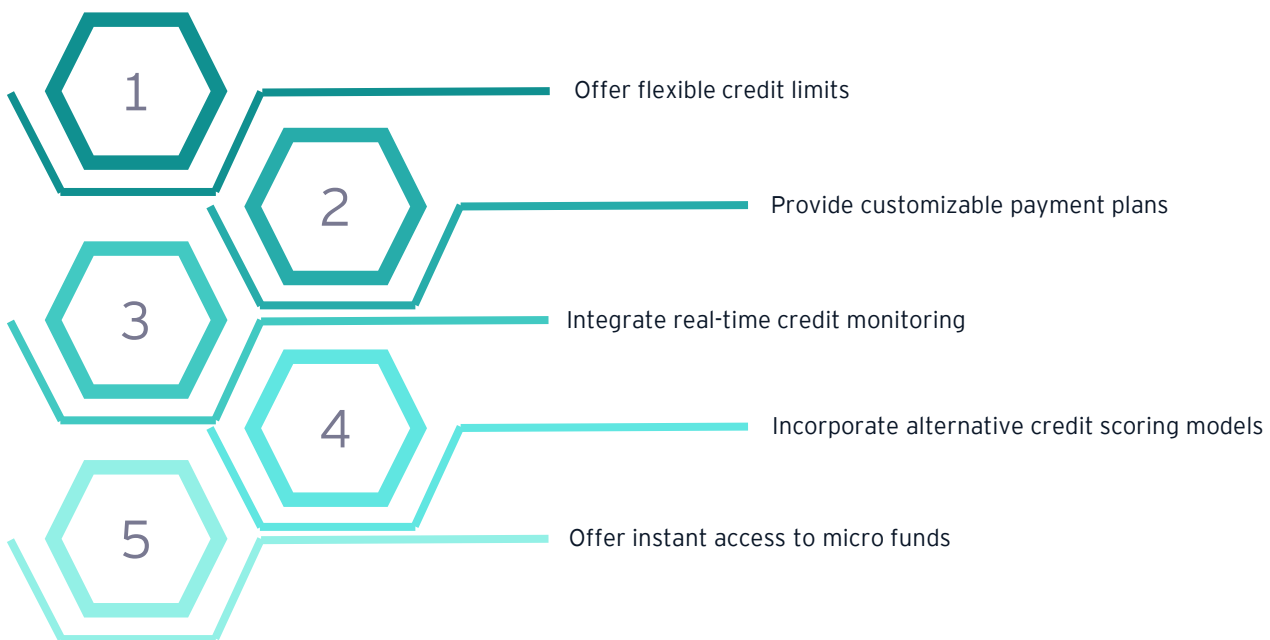
- 1 **Leverage influencers to build financial trust and engagement:** Partner with influencers who resonate with Gen Z values to promote banking products and share financial tips authentically. Honest, unfiltered discussions about financial challenges and goals can build trust and engage Gen Z effectively.
- 2 **Blend AI and human expertise for smarter advisory:** Combine AI-driven robo-advisory services with human expertise to cater to Gen Z's investment preferences. By integrating tools in mobile apps, financial services firms can simplify investing and empower Gen Z with seamless advisory services.
- 3 **Create interactive experiences to educate and engage with Gen Z:** Host online financial education webinars, live Q&A sessions, and virtual financial fitness challenges can enhance engagement. Allowing Gen Z to interact with the brand on social platforms and sharing testimonials from peers will create authenticity.
- 4 **Build exclusive communities to strengthen brand loyalty:** Build a Gen Z banking community with exclusive perks, networking events, and ambassador programs to build the brand bonding. Encourage peer-led discussions on financial topics, deepening brand connection and advocacy.
- 5 **Position sustainable banking as a key brand value:** Showcase commitment to sustainability through green financial products and impact-driven initiatives. Highlight contributions to climate action and social causes to resonate with Gen Z's values and drive engagement.

5.6 Empower modern credit with flexibility by offering smarter lending options

38% of Gen Z prioritize flexible repayment options, indicating a strong desire for credit products that can adapt to their varying financial situations.

36% of Gen Z chose borrowing from friends and family as their preferred borrowing method, due to trust, flexibility, and cost-effectiveness

How to empower modern credit with flexibility ?



- 1 Offer flexible credit limits:** Allow Gen Z to adjust credit limits based on their financial needs and spending habits. Providing dynamic control over credit usage fosters responsible financial behavior while ensuring accessibility during unexpected expenses.
- 2 Provide customizable payment plans:** Introduce personalized installment options with minimal fees, allowing Gen Z to manage expenses efficiently, break down larger purchases into manageable payments, and maintain better financial control.
- 3 Integrate real-time credit monitoring:** Deliver real-time notifications on credit usage, balances, and spending trends. Instant insights help Gen Z track financial health, avoid overspending, and make informed decisions about repayments and future credit use.
- 4 Incorporate alternative credit scoring models:** Leverage alternative data like rent payments, utility bills, and subscriptions to assess creditworthiness. This expands credit access for Gen Z, especially those with limited credit history, enabling financial inclusion and better borrowing opportunities.
- 5 Offer instant access to micro funds:** Offer fast, seamless access to micro loans or earned wages through instant transfers. Providing no-wait paychecks and small emergency funds ensures financial stability, empowering Gen Z to navigate short-term cash flow gaps with ease.

The way forward: Navigating the ascendant financial landscape of Gen Z in India

The Financial Services sector in India stands at a pivotal juncture, poised to witness a transformative era driven by the ascendance of Gen Z. While our analysis has illuminated the immediate imperatives for banks and financial institutions—from AI-powered personalization to integrated payment solutions—the horizon demands a broader, more prescient perspective.

The true power of Gen Z lies not merely in their present influence, but in their imminent evolution, a transition that will reshape the very fabric of India's financial ecosystem. We are witnessing a profound metamorphosis within this cohort, as they transition from students and dependents to active earners and decisive economic agents. This generational shift, marked by their entry into a booming digital economy, is unparalleled in its scale and potential.

Simultaneously, the great migration to urban centers is reshaping the demographic landscape. Gen Z's movement to cities, driven by aspirations and opportunities, is creating new financial needs and demands. This rapid urbanization necessitates agile financial solutions tailored to the evolving lifestyles of a mobile, digitally connected population.

Yet, the question remains: how much of Gen Z's trajectory can we accurately predict? Their embrace of flexible work arrangements and purpose-driven decision-making signals a demand for fluid financial products and personalized wealth management solutions.



However, the future is inherently uncertain. Technological breakthroughs, regulatory shifts, and macroeconomic fluctuations will continue to shape their financial behaviors in unpredictable ways. The rise of AI-driven hyper-personalization, the evolution of digital identity frameworks, and the potential of decentralized finance (DeFi) could fundamentally alter their relationship with Financial Services.

In this landscape of uncertainty, financial firms and policymakers must cultivate a culture of agility and continuous innovation. Embedding resilience into strategic roadmaps is paramount, ensuring the sector can adapt to unforeseen challenges and capitalize on emerging opportunities.

As Gen Z shapes the future of the financial landscape, they will demand not just customized services and modular products, but partnerships—relationships built on transparency, innovation, and a shared vision of prosperity. The future of finance is undeniably Gen Z-led, but only those institutions that embrace evolution, foster trust, and prioritize personalized, tech-enabled solutions will thrive.



6

Appendices

6.1 Data sources and references

1. Redseer Strategy Consultants, "The New Age of Borrowing: A Generational Shift Towards Digital Lending," 4 July 2024
2. World Bank, "Population estimates and projections," as accessed on 28 February 2025
3. NSE, "Market Pulse: A review of Indian economy and markets," January 2025
4. WeForum, "Tomorrow's workforce changed yesterday - now what for businesses that want to be future-ready?," as accessed on 28 February 2025
5. Inc42, "GenZ's Workplace Priorities: Looking Beyond The Payslip," as accessed on 28 February 2025
6. NASSCOM, "Gen Z and Millennials: Reshaping the Future of Workforce," 16 December, 2022
7. Business standard, "From smartphones to smart loans: Gen Z, millennials boost digital lending," as accessed on 28 February 2025
8. Economic Times, "Millennials at forefront of online finance products, contribute 44% of total lending," as accessed on 28 February 2025
9. Statista, "Preference for streaming platforms among Gen Z users in India as of 2023," as accessed on 28 February 2025
10. Nokia, "India Mobile Broadband Index 2022", March 2022
11. Mintel, "Indian Gen Z: Financially savvy, socially conscious and ready to travel," as accessed on 28 February 2025
12. Acumen, "Digital and Social Media Landscape in India," as accessed on 28 February 2025
13. CNBC TV, "Gen Z is starved for human contact online - these Indian startups step up," as accessed on 28 February 2025
14. Business today, "India tops Snap's digital well-being report as 78% of Gen Z seek support for online safety," as accessed on 28 February 2025
15. Moneycontrol, "From Memes to Markets: Gen-Z is redefining the future," as accessed on 28 February 2025
16. Statista, "GenZ and consumer Tech," as accessed on 28 February 2025
17. GWI, "98% of Gen Z Own a Smartphone," as accessed on 28 February 2025
18. YouGov, "India's Gen Z, who love the 'GRAM,'" as accessed on 28 February 2025
19. WeForum, "Tomorrow's workforce changed yesterday - now what for businesses that want to be future-ready?," 17 January 2025
21. Times of India, "Why banks need to don a Gen Z skin in the coming decade," 10 July 2023
22. Reserve Bank of India, "Database on Indian Economy - Table No. 2.11 - Age-wise Distribution of Individual Depositors," as accessed on 4 March 2025
23. Media Literacy and Academic Research, "Social Media Disengagement Among Gen Y and Gen Z: a Quantitative Investigation", May 2022

6.2 Glossary of terms

A2A	Account-to-Account
AI	Artificial Intelligence
ATM	Automated teller machine
BNPL	Buy Now Pay Later
CASA	Current Account Savings Account
FD	Fixed deposit
Gen Z	Generation Z
Gen X	Generation X
Greenwashing	The act of making false or misleading statements about the environmental benefits of a product or practice
QR codes	Quick response code
RD	Recurring deposit
SIP	Systematic Investment Plan
Spendvestors	A rewarding fusion of lifestyle spending and smart investing. A concept introduced by Multipl
UI/UX	User interface/User experience
UPI	Unified Payment Interface



Key contacts

Authors



Rajesh Bansal

Chief Executive Officer,
Reserve Bank Innovation Hub
(RBIH)

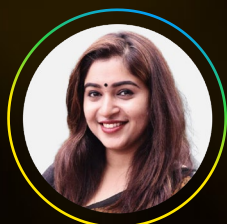
rajeshbansal@rbihub.in



Somya Singh

Lead - DesignShaala,
RBIH

somyasingh@rbihub.in



Kritika Shukla

Project Manager- Research,
Gender & Finance, RBIH

kritikashukla@rbihub.in



Pratik Shah

Partner & National Leader,
Financial Services, EY India

pratik.shah@in.ey.com



Aarthy Rangarajan

Partner, Business Consulting,
Financial Services, EY India

aarthy.rangarajan@in.ey.com

Key contributors

RBIH team

- **Naresh Singaravelu**
Senior Associate, RBIH
nareshsingaravelu@rbihub.in
- **Arun Regi Chacko**
Associate, RBIH
arunregichacko@rbihub.in
- **Iti Panwar**
Associate, RBIH
itipanwar@rbihub.in
- **Aarcha P B**
Associate, RBIH
aarcha@rbihub.in

EY team

- **Parag Jani**
Associate Director, Knowledge and
Insight, Financial Services, EY
parag.jani@in.ey.com
- **Sheetal Disale**
Director, Risk Consulting, EY
sheetal.disale@in.ey.com
- **Karan R Teluja**
Associate Director, Insights, EY
karan.teluja@gds.ey.com
- **Saket Chitlangia**
Associate Director, Insights, EY
saket.chitlangia@gds.ey.com
- **Richa Sharma**
Manager, Business Consulting, EY
richa4.sharma@in.ey.com
- **Shruti Bajpai**
Senior Consultant, Business Consulting, EY
shruti.bajpai@in.ey.com
- **Swaroop Francis**
Analyst, Insights, EY
swaroop.francis@gds.ey.com
- **Karan Chowdhary**
Analyst, Insights, EY
karan.chowdhary2@gds.ey.com

Our Offices

Ahmedabad

22nd Floor, B Wing, Privilon
Ambli BRT Road, Behind Iskcon Temple
Off SG Highway
Ahmedabad - 380 059
Tel: + 91 79 6608 3800

8th Floor, Building No. 14A
Block 14, Zone 1
Brigade International Financial Centre
GIFT City SEZ
Gandhinagar - 382355, Gujarat
Tel +91 79 6608 3800

Bengaluru

12th & 13th Floor
"UB City", Canberra Block
No.24 Vittal Mallya Road
Bengaluru - 560 001
Tel: + 91 80 6727 5000

Ground & 1st Floor
11, 'A' wing
Divyasree Chambers
Langford Town
Bengaluru - 560 025
Tel: + 91 80 6727 5000

3rd & 4th Floor
MARKSQUARE
#61, St. Mark's Road
Shantala Nagar
Bengaluru - 560 001
Tel: + 91 80 6727 5000

1st & 8th Floor, Tower A
Prestige Shantiniketan
Mahadevapura Post
Whitefield, Bengaluru - 560 048
Tel: + 91 80 6727 5000

Bhubaneswar

8th Floor, O-Hub, Tower A
Chandaka SEZ, Bhubaneswar
Odisha - 751024
Tel: + 91 674 274 4490

Chandigarh

Elante offices, Unit No. B-613 & 614
6th Floor, Plot No- 178-178A
Industrial & Business Park, Phase-I
Chandigarh - 160 002
Tel: + 91 172 6717800

Chennai

6th & 7th Floor, A Block,
Tidel Park, No.4, Rajiv Gandhi Salai
Taramani, Chennai - 600 113
Tel: + 91 44 6654 8100

Delhi NCR

Aikyam
Ground Floor
67, Institutional Area
Sector 44, Gurugram - 122 003
Haryana
Tel: + 91 124 443 4000

3rd & 6th Floor, Worldmark-1
IGI Airport Hospitality District
Aerocity, New Delhi - 110 037
Tel: + 91 11 4731 8000

4th & 5th Floor, Plot No 2B
Tower 2, Sector 126
Gautam Budh Nagar, U.P.
Noida - 201 304
Tel: + 91 120 671 7000

Hyderabad

THE SKYVIEW 10
18th Floor, "SOUTH LOBBY"
Survey No 83/1, Raidurgam
Hyderabad - 500 032
Tel: + 91 40 6736 2000

Jaipur

9th floor, Jewel of India
Horizon Tower, JLN Marg
Opp Jaipur Stock Exchange
Jaipur, Rajasthan - 302018

Kochi

9th Floor, ABAD Nucleus
NH-49, Maradu PO
Kochi - 682 304
Tel: + 91 484 433 4000

Kolkata

22 Camac Street
3rd Floor, Block 'C'
Kolkata - 700 016
Tel: +91 33 6615 3400

6th floor, Sector V,
Building Omega, Bengal Intelligent Park, Salt
Lake Electronics Complex, Bidhan Nagar
Kolkata - 700 091
Tel: +91 33 6615 3400

Mumbai

14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (W), Mumbai - 400 028
Tel: + 91 22 6192 0000

5th Floor, Block B-2
Nirlon Knowledge Park
Off. Western Express Highway
Goregaon (E)
Mumbai - 400 063
Tel: + 91 22 6192 0000

3rd Floor, Unit No 301
Building No. 1
MindSPACE Airoli West (Gigaplex)
Located at Plot No. IT-5
MIDC Knowledge Corridor
Airoli (West)
Navi Mumbai - 400708
Tel: + 91 22 6192 0003

Altimus, 18th Floor
Pandurang Budhkar Marg
Worli, Mumbai - 400 018
Tel: +91 22 6192 0503

Pune

C-401, 4th Floor
Panchshil Tech Park, Yerwada
(Near Don Bosco School)
Pune - 411 006
Tel: + 91 20 4912 6000

10th Floor, Smartworks
M-Agile, Pan Card Club Road
Baner, Pune - 411 045
Tel: + 91 20 4912 6800

Ernst & Young LLP

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EYG member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

Ernst & Young LLP is one of the Indian client serving member firms of EYGM Limited. For more information about our organization, please visit www.ey.com/en_in.

Ernst & Young LLP is a Limited Liability Partnership, registered under the Limited Liability Partnership Act, 2008 in India, having its registered office at Ground Floor, Plot No. 67, Institutional Area, Sector - 44, Gurugram - 122 003, Haryana, India.

© 2025 Ernst & Young LLP. Published in India.
All Rights Reserved.

EYIN2503-009
ED None

This publication contains information in summary form and is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Neither EYGM Limited nor any other member of the global Ernst & Young organization can accept any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor.

SS

ey.com/en_in

