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## MFSA Study Reveals Over 60% of Clients are Enrolled in Mobile or Internet Banking

A study carried out by the Malta Financial Services Authority revealed that over 60% of clients are enrolled in mobile or internet banking. The data indicates that the usage of digital services has increased, particularly for mobile banking, while branch footfall has overall decreased between 2022 and 2023, for both cash services and outward payments. This phenomenon was particularly driven by the COVID-19 pandemic.

These findings were the result of a thematic review which the MFSA conducted to evaluate how local banks are adapting to technological advancements and the effectiveness of their digital services. This initiative aligns with the EU's Digital Strategy, promoting a human-centric digital economy and society. By analysing information from these banks' websites and collecting data which captures trends across 2022 and 2023, the MFSA looked at various aspects of digitalisation, including mobile and internet banking usage, chatbots, ATM and branch usage, card usage, and the availability of other online products.

The MFSA acknowledges the unique characteristics of Malta's banking landscape. While there is a clear shift towards digital services, with a considerable overall decrease in the number of transactions executed over the counter at branches, a segment of the population continues to value face-to-face interactions, especially for complex financial matters. This cultural preference highlights the importance of maintaining a balance between digital innovation and traditional banking services.

Sarah Pulis, Head of Conduct Supervision at the MFSA, commented: *"The digital transformation within Malta's banking sector is evident and commendable. However, it is crucial to recognise and respect the diverse preferences of our community. While many customers embrace digital banking for its convenience, others still value personal interaction. Our banks must continue to cater to both groups, ensuring inclusive and accessible services for all."*

Based on the review, the MFSA has put forward a number of recommendations to banks, which were communicated through a [Dear CEO Letter](#). Banks are encouraged to implement educational programmes to assist customers in transitioning to digital platforms and enhance their digital literacy. As digital transactions increase, robust security protocols are essential to protect customer data and maintain trust, necessitating that banks strengthen their cybersecurity measures.

Banks should also ensure that both digital platforms and physical branches are equipped to handle the evolving needs of all customer demographics. The Authority has noted that most institutions are already investing in their infrastructure, increasing their ATM network and are upgrading their ATMs. The number of issues resolved via chatbots has increased between 2022 and 2023, indicating that chatbots have become more user-friendly and effective. Some banks also plan to enhance their chatbot service, such as, by enabling the setting up of appointments through the chat and offering the service in Maltese. Another digital enhancement, which the majority of credit institutions are eyeing in 2025, is the adoption of online client onboarding, which will diminish further the need for clients to visit the branch physically. Banks which already offer this service online claim that it is more popular amongst the younger generations and still picking up with the older demographic.

The MFSA remains committed to monitoring the digital evolution of Malta's banking sector, ensuring that advancements align with regulatory standards and serve the best interests of the public.

## About MFSA

The Malta Financial Services Authority (MFSA) is the single regulator of financial services in Malta, covering banks, insurance companies, investment services, trusts and pensions. In 2018, the MFSA became the first European regulator to develop a framework to regulate virtual financial assets. The MFSA's mission, as enshrined in its Strategic Statement, is to enhance its position as an independent, proactive and trustworthy supervisory authority with the main purpose of safeguarding the integrity of markets and maintaining stability within the financial sector, for the benefit and protection of consumers. The MFSA licenses over 2,000 entities to operate in the financial services sector.

