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Fear and trust in financial institutions: A content analysis

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Abstract

Financial institutions are pillars of the economy and play an important role in consumers' daily lives. As such, trust between financial institutions and the consumers they serve is of paramount importance. Using an online survey administered during the COVID-19 pandemic, this paper uses a qualitative content analysis methodology to explore consumer fear and trust in financial institutions. Stemming from fear of loss, three themes emerged: (1) history and experience, (2) perceived unfair practices/lack of knowledge of banking, and (3) general trust issues. Implications for financial institutions are presented based on these results. © 2023 Academy of Financial Services. All rights reserved.

JEL classifications: Y1; Y2; Y8; Y9

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1. Introduction

Financial institutions are pillars of the economy and play an important role in consumers' daily lives. Yet for decades, there have been concerns about consumer confidence and trust in banks (Grable et al., 2023). The confidence and trust consumers place in banks are

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necessary for financial access and inclusion, for individuals, as well as for the pooling of savings and expansion of credit by banks (Fungáčová et al., 2022). The issue of trust in the financial system has become of high importance among regulatory authorities (van Der Cruijsen, 2022) as well as researchers in academia (Monferrer-Tirado et al., 2016; Nienaber et al., 2014). Yet, according to the Edelman Trust Barometer (Campbell, 2019), financial services is one of the least-trusted sectors globally. This is not surprising, or new, given that a trust crisis—the loss of public confidence in financial markets, institutions, and other related economic agents—emerged after the global financial turmoil of 2007-2008 (Uslaner, 2010). In fact, Knell and Stix (2015) found that financial crises influence trust due to perceptions of the economic environment. Trust in financial institutions has been on the rise; increasing nearly 6% (22% to 28%) during the 10-year period of 2008 to 2018. However, the COVID-induced crisis may differ from the global financial crisis as the pandemic affected both the physical and financial health of consumers (Marcu, 2021). Trust is the essence of transactions in banking and is foundational when building long-term customer-bank relationships (Buriak et al., 2019; Lachance & Tang, 2012; Roberts-Lombard & Petzer, 2021). Trust in financial institutions has been characterized as the expectation that financial institutions are generally dependable and can be relied on to deliver on their promises (Fungáčová et al., 2022). In this context, trust provides a sense of comfort for consumers; allowing them to know that their money is safeguarded by the bank and creates a feeling of commitment to the bank because processes are in place that protect against opportunistic wrongdoing or misconduct (Buriak et al., 2019).

The theory of reasoned action (TRA) provides a lens through which to highlight the importance of trust in the relationship between consumers and financial institutions (Albarq & Alsughayir, 2013; Alqasa et al., 2014; Fishbein & Ajzen, 1975; Shih & Fang, 2004; Zolait & Sulaiman, 2008). Fishbein and Ajzen (1975) assert that an individual's course of action is predicted by their behavioral intentions, which are determined by two components: attitude and subjective norms. In other words, an individual's decision to transact with banks is rooted in their positive or negative evaluations, feelings, and perceptions of financial institutions, as well as the influences and information they receive from their social environments and networks (Albarq & Alsughayir, 2013). A lack of trust then would negatively impact a consumer's attitude towards financial institutions and affect their willingness to bank with them. Consumers who perceive financial institutions to be untrustworthy and a possible threat to their financial well-being may be motivated to protect themselves from potential loss by limiting the use of bank products and services, or by searching for alternative banking services (Rogers, 1975). A consumer's unwillingness to bank is a conceivable outcome, acting as a mechanism to cope with their fear of loss stemming from a negative attitude toward financial institutions (Rogers, 1975). While we acknowledge that other forces, such as culture (Albarq & Alsughayir, 2013), could influence an individual's willingness to use banks, theoretically, seeing financial institutions as untrustworthy is also a probable determinant.

Mayer et al. (1995) assert that trust is built from three core components: ability, integrity, and benevolence. As one of the most used practical determinants of bank trust, ability refers to the expertise or competence that the financial institution exhibits in the domain in which they are to be trusted; for example, technical and managerial abilities to provide financial services and relevant information, to assist consumers with their decisions, and to handle problems and complaints (van Esterik-Plasmeijer & Van Raaij, 2017). Integrity, or perceived integrity, is the belief that the bank adheres to a set of acceptable principles, which are operationalized as honesty demonstrated by bank employees, fairness in the application of rules, procedures, and conditions, and visibly equal and fair treatment of consumers (Dimitriadis, 2011; Mayer et al., 1995; Muller & Turner, 2016). Finally, benevolence is demonstrated through the bank's genuine interest, empathy, and responsiveness to the consumer irrespective of the profit motive (Mayer et al., 1995).

2. Literature review

Trust is described as a dynamic and multifaceted concept in retail and banking literature (Luo et al., 2010). Trust in banks is critical, especially in turbulent times—and is vital for financial access, inclusion, and stability (Bijlsma & Koldijk, 2022). Low trust has the propensity to limit financial access, inclusion, and stability for consumers as well as damage the financial services industry. Individuals with lower levels of trust are less likely to have a savings account and have stronger liquidity preferences than people with higher levels of trust (van der Cruijsen et al., 2021). Buriak et al. (2019) suggest that low or limited levels of trust create conditions for less than optimal financial behaviors including engaging in financial alternatives and more risky financial arrangements such as payday lending, bitcoin, and peer-to-peer companies among others. When individuals exhibit a reluctance to use financial services, this often indicates a diminished sense of confidence in banks, stemming from a low level of trust (Fungáčová et al., 2022). Low trust in the financial sector may undermine financial stability for individuals, potentially damaging the financial services industry. When consumers have low levels of trust, a negative experience may be perceived as proof that the bank cannot be trusted (Kidron & Kreis, 2020). If the industry is not trusted, consumers will choose to engage less, which will in turn damage both the industry and the economy by reducing the availability of capital for productive purposes. Another consequence may include consumers switching to non-financial suppliers of financial services such as fintech and alternative financial services (van der Cruijsen et al., 2022). Moreover, when consumer interactions seem improper, it is not only perceived as unsuccessful but also leads to low trust beliefs. Kidron and Kreis (2020) found that people do not believe that banks' norms and safeguards lead the banks to be sufficiently trustworthy nor do they, as a rule, automatically trust that financial institutions act honestly and ethically.

Conversely, with a high level of trust, consumers feel confident that their interests are well served by the bank. Guiso and Minetti (2004) found that households with higher levels of trust are more likely to use checks for making payments and to invest a higher share of their financial wealth in stocks and less in cash. Higher levels of trust also help to buffer against negative experiences that may arise (Kidron & Kreis, 2020). This buffering effect is particularly crucial because consumers generally do not have a clear understanding of financial products (van der Cruijsen et al., 2021), which can make them vulnerable to adverse experiences in the financial service industry.

Banking studies argue extensively that trust in financial institutions is developed when consumers are respected, have their needs fulfilled, and promises are delivered (Boonlertvanich, 2019). Roberts-Lombard and Petzer (2021) found that customer orientation, information sharing, and service fairness are critical to the trust relationship. Customer orientation is a service-oriented approach that focuses on identifying and addressing customer needs to enhance long-term customer satisfaction (Mukherjee & Nath, 2003). Customer orientation refers to employees' ability to be oriented toward customer engagement and support and address their needs and expectations. Information sharing, within a financial services environment, is deemed an ethical and transparent business practice that employs accurate information sharing with customers (Mukherjee & Nath, 2003). Information sharing refers to open communication channels that positively address customers' emotional expectations to enhance the service experience. Within a financial service environment, information sharing must be secured regularly to inform and educate the customer quickly, professionally, and efficiently (Balaji et al., 2016). Finally, service fairness encompasses all the elements of service quality (Namkung & Jang, 2010). This is especially important, considering that customers judge a service as fair or unfair (Dwidienawati et al., 2018; Roberts-Lombard & Petzer, 2021).

2.1. Trust and financial experience

Customers' trust in a bank is based on prior experience and strongly depends on the bank's demonstrated ability to behave in a reliable way and to observe rules and regulations (Järvinen, 2014). Fungáčová et al. (2022) found that experiencing a banking crisis diminishes a person's trust in banks and that the length of the banking crisis is negatively related to trust in banks. In fact, the longer banking crises last on average, the larger the impact on eroding trust in banks. However, even a mild banking crisis and the experience of loss can weaken trust and influence the behavior of individuals (Mudd et al., 2010).

2.2. Trust and financial knowledge

It is expected that respondents with more knowledge will trust their financial institutions more than less knowledgeable consumers (Hansen, 2012, 2014). Knowledgeable consumers are better able to evaluate information and are more likely to make better decisions about which service provider to choose. Furthermore, knowledge facilitates the learning of new information so that knowledgeable consumers may acquire and retain more information than less knowledgeable consumers. Knowledge may also allow consumers to formulate more questions so that knowledgeable consumers may be more aware of what is possible for a financial service provider, and this may facilitate consumers' understanding of the behavior of a financial service provider. Focusing on young adults in the United States, Shim et al. (2013) found that self-perceived financial knowledge has a significant positive effect on trust in banks and financial institutions. The relevance of the type of financial literacy measure used is also illustrated by the findings of Nuñez Letamendia and Poher (2020) who found a positive correlation between financial literacy and trust (trust in financial institutions, trust in banks, perceived honesty of banks, and perceived solvency of banks).

2.3. Trust, age, and gender

According to existing literature, levels of trust are likely to vary by age and gender (Fungáčová et al., 2022; Kidron & Kreis, 2020; van der Cruijsen et al., 2021). During the pandemic, Fungáčová et al. (2022) found that banking crises detrimentally affect the trust of people under the age of 50; however, Fungáčová et al. (2019) found that compared to people under 35, older people are less likely to trust the financial health of their banks. One common theme between these two studies is that an individual's age at the time of the crisis is important and significant for individuals under the age of 35. In support of Fungáčová et al. (2022), Grable et al. (2023) found that being older and having less financial confidence increases the likelihood that consumers would have lower levels of trust. Crises of any magnitude can diminish trust in banks, but banking crises with larger impacts on the real economy influence young people's trust while less severe banking crises mainly degrade the trust of older people (Fungáčová et al., 2022). Pandemic-related research by van der Cruijsen and colleagues (2022) suggests that trust in banks increases with age—specifically, trust among the elderly appears to be the most affected by the pandemic. From a gender perspective, males have more trust in their financial institutions than females (van der Cruijsen et al., 2021). In the van der Cruijsen et al. (2021) study both males and females trusted their banks, but males were four percentage points more likely to completely trust their own bank. These findings were confirmed by Fungáčová et al. (2022).

As a global concern for decades, predating the Global Financial Crisis of 2008, the concept of trust in banks is still undertheorized. Additionally, there is a scarcity of qualitative studies attempting to understand and explain customer trust toward banks (Kidron & Kreis, 2020). In fact, much of the research is concentrated on the identification of bank trust determinants like sociodemographic, economic, political, and other indicators providing cross-country analysis (Buriak et al., 2019). Further, prior studies on trust in banks focus on different notions of trust, such as trust in the financial health of banks, trust associated with online banking (Jiang et al., 2022), general trust in banks, or trust in their personnel (van der Cruijsen et al., 2021; van Esterik-Plasmeijer & Van Raaij, 2017). Despite the importance of understanding the role of trust in banks during the pandemic, research on the COVID-related economic crisis is still ongoing (van der Cruijsen et al., 2022). Considering this, understanding the dynamics of trust in the banking system is paramount (Redhead, 2011). We examine the open-ended responses that focused on examining the trust of customers in the banking system. By stratifying our sample based on gender (males, females, and other groups) and age (35 or above and 35 or below) we aim to uncover any differential trust experiences among these groups.

3. Methods

3.1. Data

A Qualtrics partner network of panel providers was used to recruit participants and administer an online survey to collect data between November 17, 2021, and December 15, 2021. The comprehensive survey was created, and pilot tested by ten researchers from varying disciplines and institutions. It consisted of 67 questions that included four open-ended questions. The survey questions pertained to sociodemographic information, housing, economic resources, social capital, financial capability, optimism, financial stress, and other financial behavior and decision-making characteristics. The purpose of the data collection was to gather detailed, financial well-being-related information before and during the COVID-19 pandemic of respondents living in the United States. This study used the most suitable question to address our research question. The question used in the study garnered a sufficient number of responses to make it a standalone study (Eriksson et al., 2006). The abundance of data allowed us to concentrate solely on one question, which also contained pertinent data points for stratification into subsamples.

3.2. Participants

The total included in the descriptive analysis is $n = 3{,}593$. While the study began with 3,598 total respondents, five respondents skipped the prerequisite, 5-point Likert scale question and were removed from the descriptive analyses. Additional respondents were removed from the content analysis for answering "Strongly Agree," "Agree" or "Neither" to the Likert question or skipping the open-ended question. Given the intent and study purpose to understand why financial institutions were not trustworthy, in the second wave of removals we omitted 3,177 respondents who either believed that financial institutions are trustworthy, expressed no opinion about whether financial institutions are trustworthy, or did not provide a reason why they believe financial institutions are not trustworthy. The remaining 416 respondents, the total included in the thematic analysis, all expressed that financial institutions are not trustworthy and provided a response to the open-ended question. Of the 416 respondents included in the thematic analysis, there were 56.3% males, 40.1% females, 3.6% gender diverse, 47.6% below age 35, and 52.4% above age 35.

3.3. Variables

The analysis was based primarily on two survey items. The first item was a prerequisite to the second and asked respondents to indicate, using a 5-point Likert scale, the extent to which they agree or disagree with the following statement: "*For the most part, financial institutions are trustworthy.*" Possible responses ranged from 1 = *strongly disagree* to 5 = *strongly agree*. Participants who expressed in the first item that financial institutions were not trustworthy would then respond to the second item which asked for a written response to the open-ended question, "*If you do not agree that the financial institutions are trustworthy for the most part, could you please provide reasons for not trusting?*" Survey questions regarding age, gender, and financial account ownership were used as descriptive variables to compare the sample.

3.4. Analysis

This study uses descriptive and content analysis to gain an understanding of reasons why consumers do not find financial institutions trustworthy. This method has gained popularity rapidly, partly because of the increased use of open-ended survey questions. It provides an overview of the sentiments people hold, while also being more objective as it relies on categorizing concrete terms and content (Neuendorf, 2017). The study first uses descriptive statistics to identify the proportion of respondents, by age and gender, who perceive financial institutions as untrustworthy.

Next, respondents' reasons for not trusting financial institutions are analyzed. The content analysis follows protocols developed by Braun and Clarke (2006): (1) getting familiar with the data, (2) generating initial codes, (3) searching for themes, (4) reviewing themes, (5) defining and naming themes, and (6) producing the report (p. 87).

First, to derive our sample and begin the familiarization process, we omit respondents who skipped the question or provided responses not related to the question. The sample is then grouped into six categories by intersections of age and gender. The six categories are: 35 and under men, 35 and under women, 35 and under gender diverse, 35 and over men, 35 and over women, and 35 and over gender diverse. To help ensure integrity, the researchers independently identify the data to create an analytic triangulation process (Pieters & Dornig, 2013). Our team comprised four primary researchers. Each of whom was involved in analyzing the data into designated codes. This process resulted in line-by-line coding twice, the initial coding and verification, to encourage saturation of potential codes and ensure triangulation. The investigator triangulation technique was utilized that required researchers to each conduct separate analyses of the data before their interpretations were compared and reconciled (Denzin, 1978).

The authors met on a regular, periodic basis to consider, discuss, and integrate various interpretations of the data into an emerging coding scheme (Patton, 2002). The initial analysis generated 14 codes. These codes were then combined and consolidated into the three themes and 15 subthemes (e.g., misrepresentation, greed/profit-seeking). Once initial codes were developed, the research team organized these codes into larger themes that could be reasonably expected to provide insight into the research question. In each meeting, the authors combined themes with related content to strengthen each theme and ensure saturation of the data. Similarly, during team meetings, themes not found in multiple responses were discussed to determine if they should be excluded from the study. The final step was to explore the interconnectedness of the themes and select quotes that exemplified the respondents' perspectives of why they do not trust financial institutions. Notable quotes were extracted from the open-ended responses that demonstrated each code and used in the discussion section that follows.

Validity and reliability were emphasized and prioritized throughout the research process. The authors meticulously ensured that all procedures adhered to widely accepted research methods (Kirk & Miller, 1986). In particular, the study strictly followed the six steps of thematic analysis as laid out by Braun and Clarke (2006), enhancing confidence in the study's outcomes. During the identification and discussion of themes and codes, the authors maintained transparency among themselves, ensuring the validity of the findings (Tuval-Mashiach, 2017).

The research team prioritized maintaining a consistent methodology. Similar guidelines were adhered to throughout the data analysis phase. Any deviations or discrepancies were thoroughly discussed, which served to enhance the credibility of our findings. To further ascertain the validity of the outcomes, our research team, comprising four members, cross-checked the

Table 1 Crosstabulation by gender ($N = 3{,}593$)

Financial institutions are trustworthy	Female	Male	Gender diverse
Strongly agree	6.4%	8.2%	5.2%
Agree	39.5%	42.1%	24.7%
Neither	39.0%	31.6%	40.3%
Disagree	10.8%	11.7%	15.6%
Strongly disagree	4.2%	6.5%	14.3%

data and interpretations at multiple stages throughout the study (Morse et al., 2002). Moreover, the authors engaged in periodic discussions about any preconceived notions about the banking system they might hold; thereby, ensuring the study's reflexivity (Haynes, 2012).

4. Findings

Overall, findings indicate that respondents' mistrust of banking can be attributed to a fear of loss. Percentages of respondents who agree that institutions are trustworthy are presented in Tables 1 and 2. Of the 3,593 responses, 15.0% of females, 18.2% of males, and 29.9% of gender-diverse persons believed financial institutions are not trustworthy. Larger percentages of younger respondents find financial institutions to be untrustworthy. The age category with the largest percentage (19.3%) that believes financial institutions are not trustworthy is 35-44 years old, and the smallest percentage (11.5%) is 65 and over. Regarding bank accounts, participants were asked to indicate all the types of accounts they held. The findings showed that the Checking Account was the most prevalent financial product, with 23% of respondents holding only a checking account. When combined with a savings account, this figure increased to 35%, making it a very popular combination. Approximately 5% of respondents held only savings accounts. Around 22% of respondents had some form of retirement account in conjunction with other accounts. Approximately 13% of respondents held brokerage accounts, either solely or in combination with other accounts. About 8% of respondents reported having Certificate of Deposits, either solely or along with other accounts. "Other financial products," such as annuities, constituted approximately 2% of the respondents.

Three main themes emerged: respondents fear loss due to (1) history and experience, (2) perceived unfair practices, and (3) general trust issues. A summary of the themes and subthemes across gender and age is presented in Table 3.

Table 2 Crosstabulation by age ($N = 3{,}593$)

Financial institutions are trustworthy	18–24 years	25–34 years	35–44 years	45–54 years	55–64 years	65+ years
Strongly agree	6.1%	7.3%	8.2%	6.6%	7.0%	7.8%
Agree	31.5%	39.1%	40.3%	45.1%	43.0%	58.1%
Neither	44.9%	36.5%	32.2%	32.2%	37.1%	22.6%
Disagree	11.2%	12.0%	13.9%	9.1%	8.6%	6.7%
Strongly disagree	6.3%	5.0%	5.4%	7.0%	4.3%	4.8%

Table 3 Themes and subthemes across gender and age

Themes	Subthemes	Gender and age
Historic experience: Systemic and personal	Historical Events Unfair Practices Specific Experiences Lack of Knowledge Mistrust in Government/Corporate Lies/Misrepresentation	35 or below males
	Historical Events Bad Experiences Public Opinion/"I heard" Specific Experiences	35 or below females
	Public Opinion/"I heard" Specific Experiences	35 or below gender diverse
	Systemic Issues Bad Experiences Historical Events Lack of Knowledge Privacy Concerns	35 or above males
	Specific Experiences Unfair Practices Lack of Trust Fiduciary Concerns Mistrust/Lack of Trust	35 or above females
	Greed/Profit Seeking	35 or above gender diverse
Perceived unfair practices	Greed/Profit-Seeking Lack of Knowledge Fiduciary Concerns Mistrust in Government Lies/Misrepresentation	35 or below males
	Greed/Profit-Seeking Systemic Issues Unfair Practices Lack of Transparency Privacy Concerns	35 or below females
	Unfair Practices Mistrust in Government	35 or below gender diverse
	Greed/Profit-Seeking Lack of Knowledge Mistrust in Government Fiduciary Concerns Unfair Practices	35 or above males
	Unfair Practices Lack of Knowledge Mistrust in Government Fiduciary Concerns/Non-Fiduciary	35 or above females
	Greed/Profit-Seeking Personal Responsibility	35 or above gender diverse
General trust	General Trust Issues Mistrust in Government/Corporate	35 or below males
	General Trust Issues	35 or below females 35 or above males

(continued on next page)

Table 3 (Continued)

Themes	Subthemes	Gender and age
	Trust Issues in General Historical Events Mistrust	
	Mistrust in Government/Corporate	35 or below gender diverse
	Trust Issues in General	35 or above males
	—	35 or above females
	General Trust Issues	35 or above gender diverse

With one exception, the largest percentages of all genders and ages fall into the category of fear of loss because of perceived unfair practices by financial institutions. More females above age 35 responded to the historic experience: systemic and personal theme. Percentages of respondents (by age and gender) who fall into each of these three themes are presented in Table 4.

4.1. Perceived unfair practices

That is, actions or policies that are viewed by consumers as unjust, discriminatory, or unethical reflect concerns relating to higher fees and lack of transparency existing in financial institutions. Respondents expressed concerns about the fees charged to them and the lack of transparency of interest rates. To provide clarity on the perceived unfair practices theme, it is helpful to provide some subthemes in this category. Among 35 or below males, the most prevalent subthemes are greed, profit-seeking, and fiduciary concerns. The "greed" subtheme reflected respondents' concerns over banking institutions' practices that are geared towards devising tactics that take their benefits. The "profit-seeking" subtheme represented sentiments about the banking system stating profit-making as their main or only priority. "Fiduciary concerns" reflected consumer opinion on the fiduciary nature of the banking system. The subthemes reflected their concerns regarding the protection of their own interests. Among the 35 or below females, greed and profit-seeking subthemes are also dominant. Among the 35 or above males, greed and profit-seeking constitute the majority of the themes categorized into *perceived unfair practices*. Overall, respondents demonstrated evidence of perceived unfair practices of the banking system and financial institutions. One 35 or younger male respondent:

> "Most financial institutions are not made to help people. Their main goal is to make money and make their partners money. If it were truly about assistance, then every customer would be treated equally and it wouldn't cost an arm and a leg to pay these institutions for their services. And it would also be much easier for people to build credit. The credit system is just about the most oppressive system that was ever conceived. (But that's a whole other discussion.)"

A female respondent, 35 years or younger:

> "I think that banks are often only out for making profit for themselves which is why they are always trying to sell products to people when they're coming in to just make a basic withdrawal."

Table 4 Themes and distribution by age and gender ($n = 416$)

Age	35 or below			35 or above		
Gender	Males	Females	Gender diverse	Males	Females	Gender diverse
Historical experience: systemic and personal	4.6%	4.6%	0.5%	10.6%	9.4%	0.0%
Conceptual understanding	16.3%	14.4%	1.4%	19.0%	9.1%	0.7%
General trust	2.6%	2.6%	0.5%	3.1%	0.0%	0.5%

Another female describes a common perception of unfair fees and charges:

"They try to take your money with fees that aren't reasonable."

Two male respondents, under the age of 35 years, capture the ill-intent and lack of fiduciary responsibility of banks:

"They are seeking to make money off me and will prioritize that rather than me."

"Financial institutions encourage debt on people and play on their psychological well beings or addiction to spend money to debt trap them."

In addition to perceiving that banks lack a fiduciary responsibility to customers, others describe an intentional effort to confuse customers. One example comes from a respondent described as other gender, and under 35 years of age:

"Use of wordings that confuse the public, often times leading to some support of fee collection because people don't understand how it works."

Respondents aged 35 and above express cynicism and skepticism about financial institutions; however, they discuss fees more frequently:

"I just worry about having my money in banks in the event or a financial crisis and the fees associated with most accounts are ridiculous." (female)

"Fees on everything! I feel 'nickel and dimed' to death. Financial institutions are only there to make money off you. They refuse to help you when you need it the most, even though your credit score is high and you haven't missed a payment of any kind in decades." (male)

"Well, alot of them have ways to get more money out of you even when you are already broke and struggling. Overdraft fees, the percentages of interest on loans, I mean the reason you get a loan is because you don't have enough money to pay for whatever the loan is for. And instead of helping . . . Later on down the line they have taken way more." (female)

"They are ultimately more interested in making money above all else. They seem only work for those already doing well while burying the already struggling in high Fees and high-interest rates." (female)

Other respondents raise issues with transparency—with regard to fees and communication:

"I do not believe financial institutions are transparent and the few I have had business dealings with are concerned more with the all might dollar and those who can provide it in the form of payments, deposits etc. . . . with their facility." (female)

"Wording of certain terms are misleading." (female)

4.2. History/experience

Many respondents describe historic experiences, both systemic and personal, that influence their trust in financial institutions. History/experience had prominent subthemes across the gender and age groups. Among 35 or below males, the most prevalent subthemes were Historical events, Specific experiences, and Lies/Misrepresentations. The "historical events" subtheme reflected respondents' experiences during historical events like the financial crisis of 2008, as well as the history of their own experiences. The "specific experience" subtheme represented sentiments related to their own specific experiences with banking. For example, an instance of having issues with online banking. "Lies/Misrepresentations" reflected consumer opinion regarding their integrity and responsibility towards their consumer base. These fall into the *history/experience* theme and are categorized as individuals possibly having a limited understanding of the business aspect of financial institutions. Among the 35 or below females, historical events and bad experiences, that is, their instances of bad experiences with the banking system in general, were mostly dominant. Among the 35 or above males, "systemic issues," and "bad experiences" subthemes constituted the majority of the themes categorized into *history/experiences*. The systemic issues reflected inherent structural issues in the United States that are linked to the banking system. Overall, respondents expressed their concerns with the banking system and financial institutions that were historical in nature. For example, male respondents—in both age categories, 35 years and below and above 35 years—explain that banks have historically taken advantage of consumers:

> "They have a long history of scamming people."

> "Every bank I've used minus online banking have ripped me off."

Across genders there is also a reference to financial institutions engaging in unauthorized activity:

> "The[re are] scandals . . . where tellers were making fake accounts to meet goals."
> "My financial institution opened a fake account in my name."

In addition to personal experiences, respondents also share examples of circumstances that may not have directly happened to them but are close enough that the situation influences their perception of banks. We code these data as "I heard":

> "I've heard about lots of bad experiences people have had with various financial institutions, such as messing up paperwork, overreaching boundaries, etc."

> "I remember the bailout of Wall Street."

> "A history of financial scandals and bailouts doesn't exactly show that most financial institutions are well managed."

> "Too many real-life stories of fraud and theft of/by financial institutions upper management."

Respondents also describe a lack of care and empathy towards consumers:

> "There is evidence, and I have personal experience that they prey on the lowest income Americans to make their money. They are careless with personal information and lack empathy for the needs of common people."

"[I don't trust banks] because of their history and what they do with their consumers and their data."

4.3. General trust issues

Despite financial experience or type of bank account ownership, some respondents expressed deep cynicism and skepticism. Primary subthemes under General trust issues were trust in general life circumstances and mistrust in government. Overall, respondents expressed emotions of trust related to their life in general as well as the system of banking and government. For example, Respondents aged 35 years or below express more general mistrust sentiments:

> "I don't trust any kind of institutions that are based off of money." My grandma use to have a saying "Green is the color of greed, that's why money is men's weakest weapon." (male)

> "You never know who to trust if we're being honest. Specifically, when it comes to money . . . Our money." (female)

> "It's just hard to trust anything or people with so much money."(female)

> "I'm very skeptical about everything." (other gender)

Males over the age of 35 also express a lack of general trust in these ways:

> "When money is involved, there is no one you can trust."

> "I don't trust anybody or any bank I can invest and hustly own money."

This study aimed to present results stratified by gender and age. However, the results did not reveal any discernible patterns based on gender or age. Future research could explore potential differences in trust by gender and age if feasible.

5. Discussion

The primary purpose of this study is to explore the reasons consumers perceived financial institutions as not trustworthy during the global pandemic when many households were facing financial crises and uncertainty. Specifically, we analyzed written responses to the open-ended survey question, "If you do not agree that the financial institutions are trustworthy for the most part, could you please provide reasons for not trusting?" From this analysis, we developed three themes: (1) history and experience, (2) perceived unfair practices, and (3) general trust issues. The first theme stems from historic systemic and personal experiences. Many respondents also shared experiences that they heard about or that affected their communities. The second theme is related to individuals' understanding of the financial services business model. Many respondents feel vulnerable against large, profit-seeking financial institutions whose greed drives them to charge excessive fees and interest rather than providing customer service and help to consumers. The third theme is indirectly related to financial institutions. The third theme is a general trust issue held by individuals. Many state they either do not trust anyone or only trust themselves, especially in matters involving their money.

Findings from this study add to the existing literature by providing a qualitative look into consumers' trust in financial institutions. Although not generalizable, the findings from this diverse sample offer further evidence that more needs to be done to strengthen relationships between financial institutions and the consumers that use them. The implications of these results are important and should serve as notice to financial institutions that continuous attention to customer service remains necessary. Left unchecked, negative information can spread and go against an organization's interests, undermine public trust, and lead to increased public scrutiny (Greve et al., 2016).

The results of this study suggest that relationship management and mistrust could be a growing problem for financial institutions since higher percentages of individuals under age 35 believe these institutions are not trustworthy. Larger proportions of younger respondents express concerns about losing their money to financial institutions and perceive them as a threat to their financial well-being. Financial institutions may be missing an opportunity to provide additional services to this segment of the population and in fact, could be at risk of losing a portion of this group's business altogether if viable alternatives arise that are viewed as more trustworthy.

In conclusion, trust is important in the banking industry, especially during times of crisis. As banks around the globe strategize post-pandemic recovery and consumer customer engagement, exploring the dynamics of trust becomes crucial. This study is of importance to professionals and policymakers working within financial institutions, as well as financial educators and professionals who serve consumers. The findings from this study are likely to offer a framework to address concerns with respect to enhancing the quality of services and dealings with their consumer base.

6. Limitations

There are noteworthy limitations to this study. First, this study employs secondary analysis. As such, participants were not interviewed, and no follow-up was available. Second, the analysis is based only on responses to one open-ended survey question and a one-item measure of trust. Third, the researchers are unable to make any distinction between consumers who may have banking accounts but still underutilize their accounts. Data limitations did not allow comparisons of those who favor banks to those who view banks negatively. Subsequent analyses could prioritize understanding the underlying rationale for these contrasting perspectives. Additionally, a more comprehensive analysis of trust across genders would be valuable in future studies.

7. Conclusion

The present study explored the reasons consumers perceived financial institutions as not trustworthy during the global pandemic when many households were facing financial crises and uncertainty. Using content analysis, three themes emerged: (1) history and experience, (2) perceived unfair practices, and (3) general trust issues.

There are several implications for individual consumers, financial institutions, policymakers, and researchers. Specifically for consumers, a lack of trust may limit access to financial services. This lack of trust might lead consumers to avoid or underutilize financial services, which can limit financial inclusion. Financial inclusion promotes consumers to have and use savings accounts, loans, and other services that are important to reaching financial goals. Another consequence of financial exclusion is reduced access and availability to credit when needed. When consumers have limited exposure and experience in mainstream financial services, it may be more challenging to establish credit, ultimately making it harder to secure credit and loans at favorable interest rates. Additionally, when consumers limit or avoid traditional banking and financial services, they may lose the safety and convenience of their funds as well as engage in alternative financial services, pay higher costs for transactions, and have a higher susceptibility to fraud and scams.

From the financial institutions' perspective, a lack of consumer trust can lead to lower deposits and transactions, potentially disrupting financial systems and economic activity. When consumers demonstrate a lack of trust in a specific institution, banks may experience issues of reputational risk. Loss of reputation, for example, may create challenges when banks want to attract new customers or even merge with other institutions. In addition to regulatory scrutiny when institutions want to merge, there could also be increased oversight and potential penalties if claims of mistreatment, misrepresentation, and fraud are found to be true. Financial institutions should consider how trust may influence a consumer's willingness to expand current relationships. Consumers entrust banks with their money, which often represents dreams, goals, and other aspirations, not to mention personal information. Consumers need to know that their funds are safe and that transactions are secure. When trust is not achieved, consumers lack the safety and confidence to fully engage with the financial institution, potentially hindering their ability to experience financial inclusion. Yet, to prevent these implications banks need to prioritize transparency, security, ethical behavior, and strong customer service to maintain and strengthen consumer trust. Furthermore, banks should ensure that products are developed with the customer and not for the customer and that bank fees are transparent (Roberts-Lombard & Petzer, 2021).

The results of this study also point to a need for financial institutions and policymakers to work together to correct systemic issues (such as the historical events referenced in this study) that have eroded consumer confidence. Acknowledging and addressing historical events and past inequitable personal experiences could help improve public opinion and increase public belief that financial institutions care about consumers' financial well-being (Lagarde, 2014).

There is also an opportunity for researchers to conduct deeper qualitative research, including focus groups and interviews with consumers to better understand how financial institutions may be able to develop better relationships and earn consumers' trust. Identifying more nuanced reasons for the lack of consumer trust could also be translated into educational programs and other interventions to equip consumers with tools and resources to evaluate institutions and make informed financial decisions with regard to banking relationships. In conclusion, the present study supports the need to further explore the role of trust and fear between consumers and financial institutions.

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