Interledger FOUNDATION

A Cashless Country & The Future of Banks

Consumer Perspectives

Future of Digital Finance Report Series

Part 1 of 3

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What 2025 has taught us: Trends shaping the future of finance

Cash has long been the standard currency. And traditional banks have long been the vehicle for storing and moving money. But both of those once foundational institutions are now shifting.

A nationally representative survey of 1,004 U.S. consumers shows a country divided on the future of cash and increasingly flexible about what they consider a "bank."

Cold hard cash is at a crossroads. Over half of respondents (51%) are willing to abandon paper cash altogether in favor of digital payments and currencies. The rest, (49%) don't want to give it up. Yet, what they would do in theory differs with what they're doing in reality: 56% still pay with cash at least weekly, revealing deep-rooted habits that digital alternatives must match in cost and convenience.

Digital-savvy generations aren't necessarily all in on digital alternatives to cash. Over half of Gen Zers (51%), Millennials (53%) and Gen Xers (51%) are open to a cashless life, but even the most digitally native among them cite privacy and fee concerns as reasons to keep cash around.

Digital challengers are catching up to banks — and distorting consumers' views of what banks are. Younger consumers view banking as a category of services that are not necessarily restricted to any particular institution. Only 64% of consumers classify JPMorgan Chase as a bank, while over 30% consider digital payments providers like Cash App and Chime banks, despite their lack of direct FDIC insurance.

Once their number one selling point and differentiator, banks' relative safety is overshadowed by lots of choice and even more convenience. Only 56% of Gen Z know that only traditional banks provide FDIC insurance, insuring up to $200,000 of their deposits, compared with the 80% of Boomers who are well aware of this key distinction. This points to the idea that the traditional "bank equals safety" message is losing traction — and no longer offers the same competitive edge over emerging bank-like options.

It's clear that there is room in the market for new solutions that meet consumers' evolving digital banking and payments preferences. Making a less traditional financial future a reality, though, will ultimately come down to organizations' ability to overcome consumers' concerns, bypass their entrenched habits, and in some cases, compete with the anonymity, convenience and cost-free benefits of cash

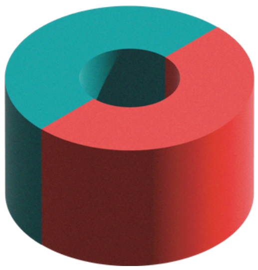
In this report we will walk through consumers' aspirations and concerns to inform the next phase of open finance.

Audience

Gender

50%
Male

50%
Female

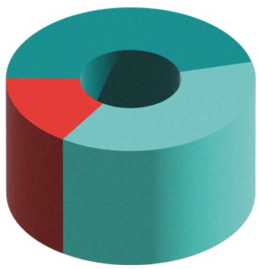


Residential Area

45.5%
Suburban

38.4%
Urban

16.2%
Rural

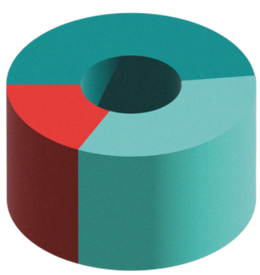


Household Size

48%
2-3 people

34%
4+ people

18%
1 person



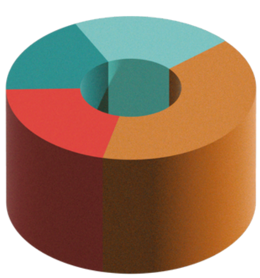
Annual Household Income

19.3%
High

20.2%
Upper-middle

40.4%
Middle

20.2%
Low



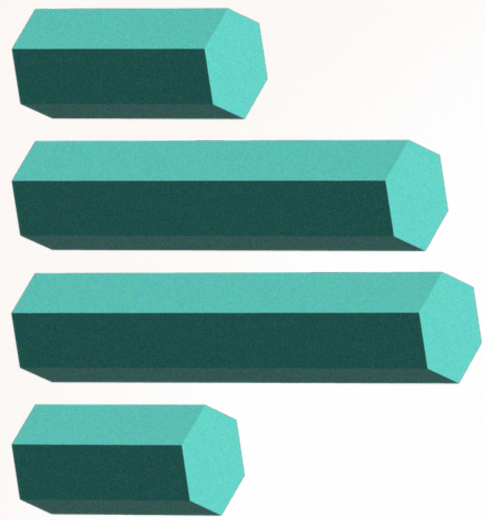
Age

17%
Gen Z
(Age 18-27)

33%
Millennials
(Age 28-43)

36%
Gen X
(Age 44-59)

15%
Boomers
(Age 60+)



Employment Status

73%
Employed full time

12%
Employed part-time

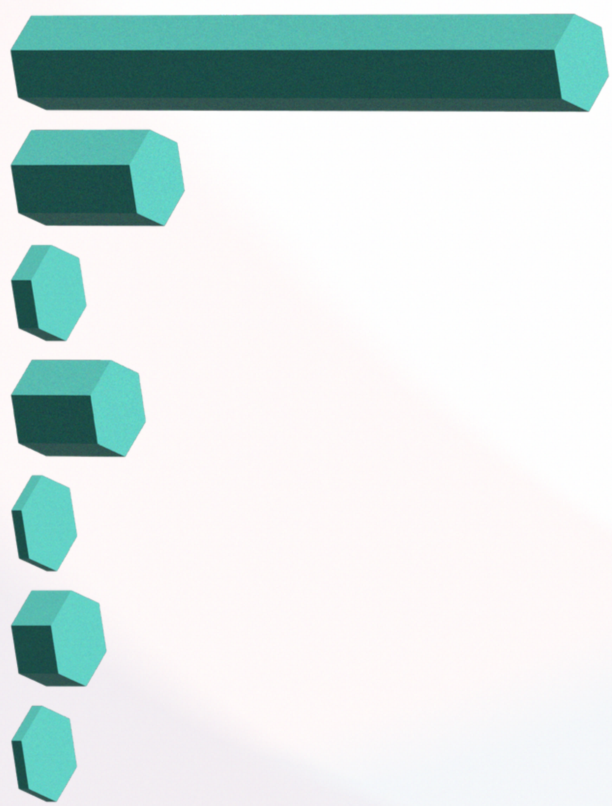
2%
Self-employed

8%
Not employed

1%
Student

4%
Homemaker

1%
Retired



Methodology

“A Cashless Country and the Future of Banks–Consumer Perspectives” is part one of the three-part “Future of Digital Finance Report” series.

This study was commissioned by The Interledger Foundation and conducted by third-party research firm Dynata.

All findings presented are based on responses from 1,004 consumers, ranging from 18 years old to age 60+, in all 50 US states.

The data was collected in Q3 2025.

Questions

1

How often do you typically use cash to make payments?

2

Would you be open to moving away from cash altogether?

3

Why would you not be open to moving away from cash altogether?

4

Do you prefer to use cash because its usefulness for making transactions that are not tracked by the government or companies?

5

Which, if any, of the following would you consider a bank?

6

In your opinion, what services can only be offered by a bank?

7

What are the most important features influencing where you deposit and keep money?

Cash vs. Cashless

The Cash Paradox:

Cash is dead. Long live cash.

As recently as 10 years ago, the notion of getting rid of cash seemed like a distant and even far-fetched reality. Now:

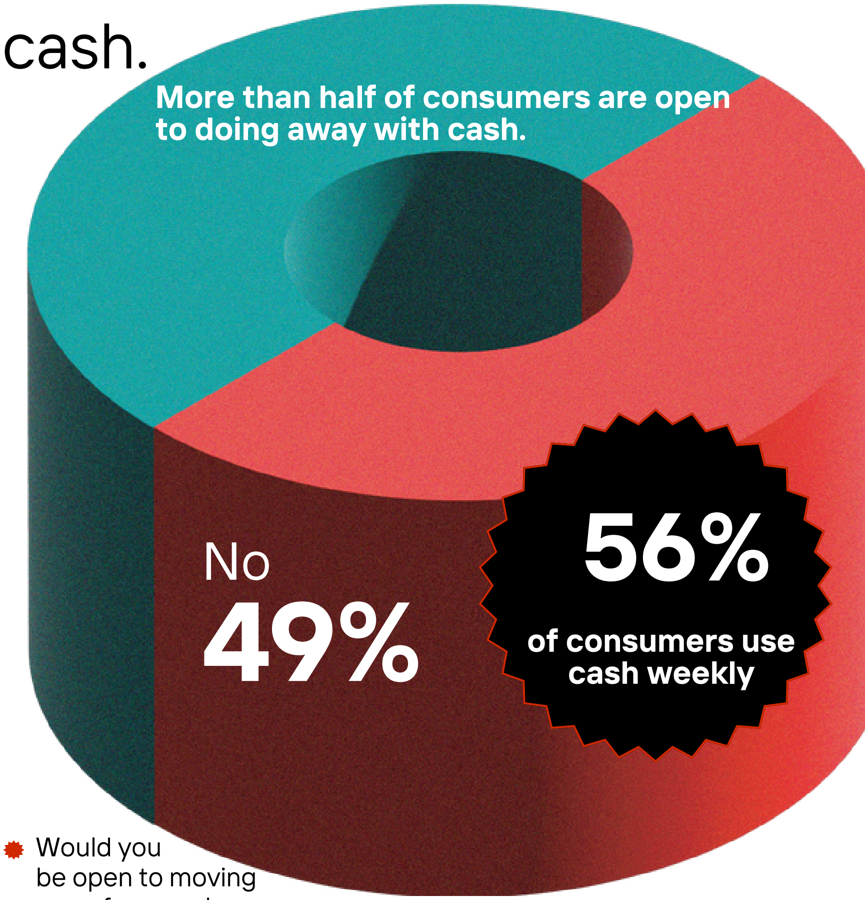
A small majority of consumers are split on going cashless, with 51% willing to abandon cash entirely and 49% not.

Cash remains deeply embedded in daily life with 56% of consumers using it at least weekly.

Of those, 15% say they use cash every day and 31% use it several times a week.

Eight percent (8%) of consumers have already instituted their own cashless lifestyles, going nearly or completely cashless.

Another 37% use cash only monthly — or less.



Would you be open to moving away from cash altogether?

A Society Still Heavily Reliant on Physical Currency

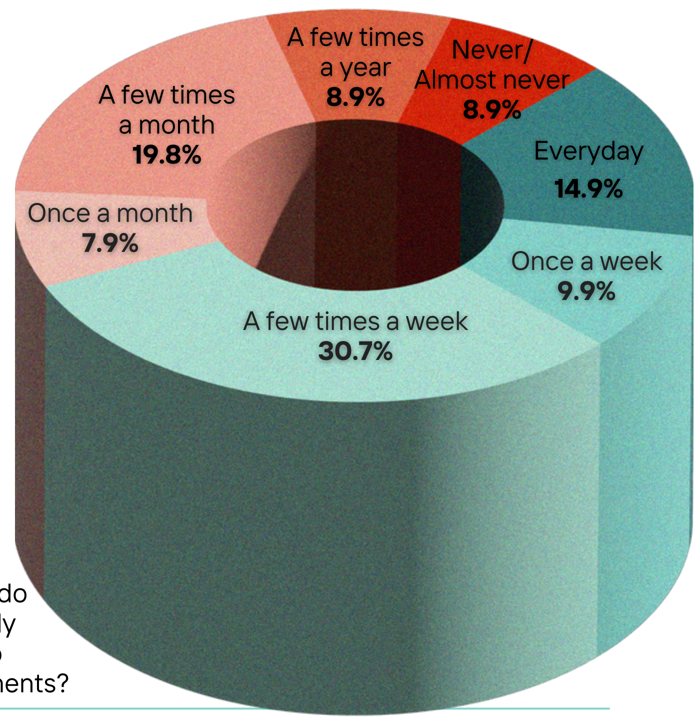
Payments companies looking to tip the scales in favor of a cashless future must first overcome deeply embedded habits in people's daily lives.

Most people still use cash weekly and, unlike digital forms of payments, cash is still accepted nearly everywhere. For digital payments options to achieve even greater ubiquity than they already have — they must match cash's universal acceptance and be so convenient that using cash begins to feel like a hassle.

This is not just a matter of user experience, however. It's a matter of getting buy-in from merchants and businesses, building infrastructure that removes roadblocks to transactions, and making the public aware of the availability and benefits of new payments types.

Building and educating the public on these technologies in a way that has lasting implications will come down to understanding consumers' views on cash and addressing their concerns about increasingly adopting cashless payment options.

20% of consumers only use cash once a month — or even less frequently.



How often do you typically use cash to make payments?

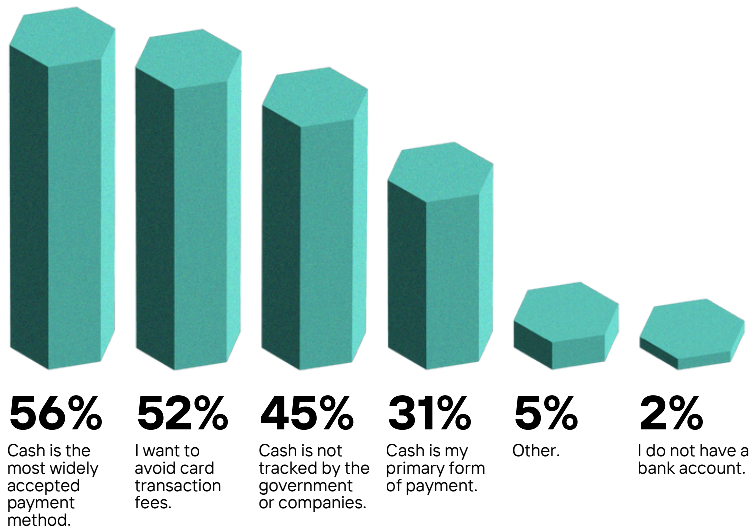
Why Consumers Want to Keep Cash Around

While there's no payment method that's universally accepted, cash comes closest to ubiquity–and it never comes with added fees. By contrast, because businesses have to pay fees per transaction, some businesses choose to pass on those fees–partially, fully or as a flat charge–to consumers. Others set minimum purchases for card payments. Consumers that have had either or both of these experiences can become turned off and opt for cash.

For emerging digital payments companies looking to win over customers from established payments companies, introducing monetization models that don't result in fees for consumers will go a long way.

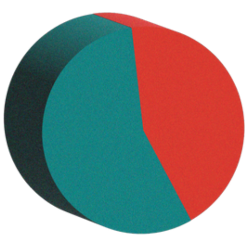
Open, interoperable standards can help lower these costs and make digital transactions as accessible and inexpensive as cash.

Consumers' reasons for wanting to keep cash hint at where digital payments currently fall short.



What would prevent you from moving away from cash altogether?

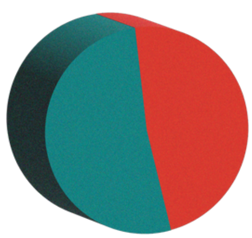
The 3 most common reasons respondents aren't willing to move away from cash:



56%

Its wide acceptance

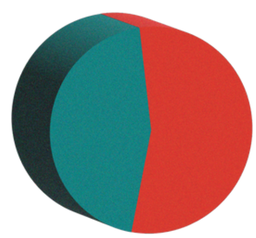
More than half say they wouldn't get rid of cash because it's the most widely accepted payment method.



52%

Card fees

Fifty-two percent (52%) More than half of consumers say that cash appeals to them because many businesses charge a fee for card transactions, and they want to avoid that.



45%

Privacy concerns

45% prefer cash because it allows them to receive and make transactions that are not tracked by the government of companies.

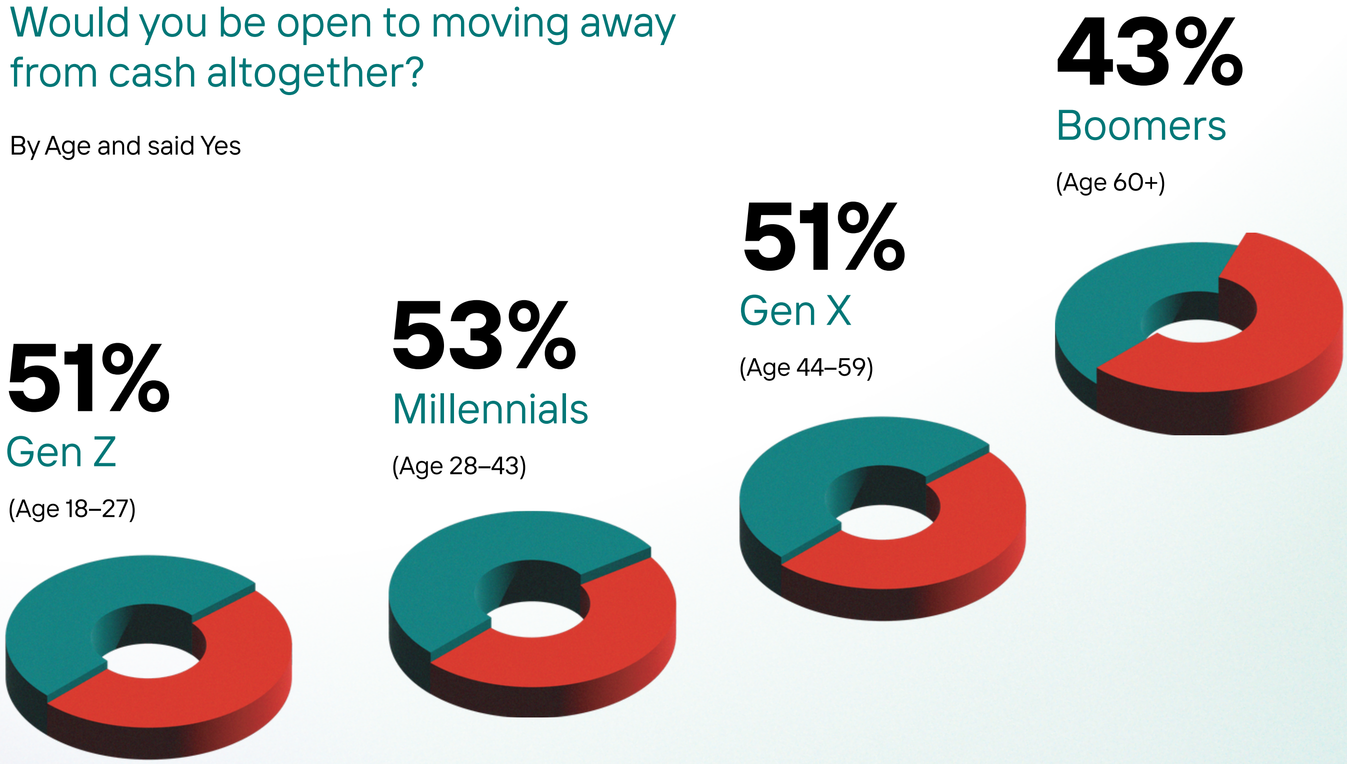
Generational Views on a Cashless Society

Gen Z, a generation brought up on digital everything, is split on the idea of going cashless — and not any more open to it than older generations like millennials and Gen X, who are not as digitally fluent as they are.

Perhaps less surprising is that Boomers are the least willing to move away from cash. Still, with 43% saying they're open to going cashless, digital payments are not just a novel alternative to cash for nearly half of this generation; they're a welcome replacement.

Would you be open to moving away from cash altogether?

By Age and said Yes



Cash Can't Be Tracked–Gen Z and Millennials Prefer That

45% of all respondents who aren't open to going cashless cite privacy from government and corporate tracking as a reason to keep using cash.

Notably, younger generations care more about keeping their transactions untrackable than do older generations, with 51% of Gen Z and 49% of Millennials citing privacy, versus 41% and 42% for Gen X and Boomers, respectively.

While this might seem counter-intuitive or unexpected at first, the more digitally fluent consumers are, the more aware of how trackable their digital interactions are.

And while these same consumers might be comfortable with their behavioral data on social media informing the content and ad curation of their TikTok and Instagram feeds, approximately half of them draw the line at being obligated to giving companies visibility into everything they purchase.

Meanwhile, it's possible that Gen X and Boomers are more slightly less concerned about privacy when it comes to digital payments because they are not as intuitively aware of how their digital transactions might be used to influence their everyday experiences.

Future widespread cash alternatives will need to have a level of anonymity.

Digital payments are infinitely more trackable than cash — not only by governments but by companies that commercially benefit from knowing about users' spending behaviors and habits.

While having access to data does not necessarily guarantee that companies are using it to influence individual consumers' experiences in ways they wouldn't approve of, emerging practices, such as dynamic pricing, can be enough to give some consumers pause on how much they want to use digital payments to make day-to-day purchases that could otherwise be made using cash.

Future digital payment networks looking to offset this concern should consider incorporating privacy safeguards and user-controlled data permissions from the outset — effectively enabling users to make their digital payments as anonymous, or nearly, as cash.

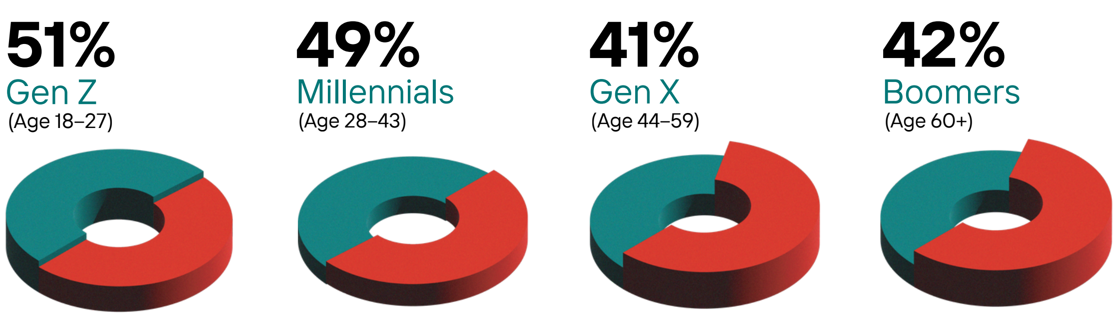
It's clear that many consumers will opt to share the least amount of data possible.

> "I like having cash, it feels real. Sometimes it worries me that if we don't have cash, our money is fake."
>
> — **Millennial Male in an Urban area**

> "I want privacy in my finances. It is no one's business where I spend my money."
>
> — **Boomer Male in a Suburban area**

> "I want peace of mind, independence and to not feel like I will be charged a transaction fee."
>
> — **Gen X Female in a Suburban area**

Privacy concerns keep cash king to Gen Z.



Do you prefer to use cash because of its usefulness for making transactions that are not tracked by the government or companies?

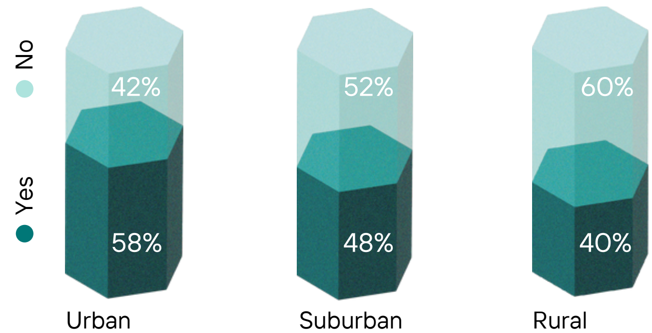
Attitudes for Abandoning Cash Differ by Location & Income

The willingness to move away from cash increases in more densely populated urban areas, where 58% of people say they're open to going completely cashless. This is compared to only 40% in more rural areas.

Willingness to move away from cash also increases with income, as only 42% of people who make less than $50k per year are willing, compared to 56% of those who make $150k or more per year.

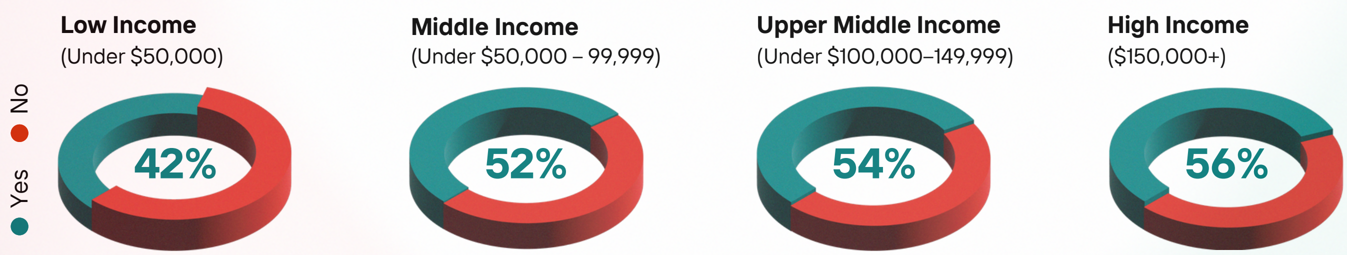
Living Area

Going Cashless Makes More Sense — and Appeals More — to Consumers in Urban Areas



Would you be open to moving away from cash altogether?, By Geography.

Lower income consumers are less likely to move away from cash.



Would you be open to moving away from cash altogether? By Income.

The higher interest in going cashless among consumers in more urban areas is likely due to many factors. Among them: higher prevalence of businesses that accept digital payments, public transportation going digital in some cities, and fees and penalties for using cash in many shops. Urban areas are also more likely to have the infrastructure necessary to support digital payments, including **XYZ**.

Urban areas are typically more synonymous with a focus on digital payments than rural areas, thanks to their more robust digital payments infrastructure. Rural areas often lack some of this digital infrastructure, making digital payments less ubiquitous.

As a result, people in these communities might not have a vision of what a cashless society would look like in their lives.

Organizations looking to promote cashless payments would be mistaken to wait for consumer buy-in before investing in the infrastructure necessary to support it. Instead, consumer adoption will be fueled not by their ability to imagine it, but their ability to adopt it in their everyday lives.

For payments industry leaders, this means prioritizing open payment standards and collaborative infrastructure investments that will ultimately pave the way for universal access. Broad participation will accelerate adoption and prevent geographic or economic disparities from widening.

What is a Bank?

Are banks dead? Are apps banks?

Only four of the organizations on this graph are FDIC-Insured banks: Chase, Capital One, American Express and Charles Schwab.

Despite JPMorgan Chase's position as the 5th largest bank in the world, and the largest in the U.S. in terms of assets, only 64% of consumers identified it as a bank.

Similarly, American Express is the 18th largest bank in the U.S., but only 37% of consumers regarded it as such.

Chime and CashApp are both financial technology companies, rather than directly FDIC- insured banks, yet 31% categorize them both as a bank.

Twenty-two percent (22%) identified Venmo — also not directly FDIC-insured, as a bank.

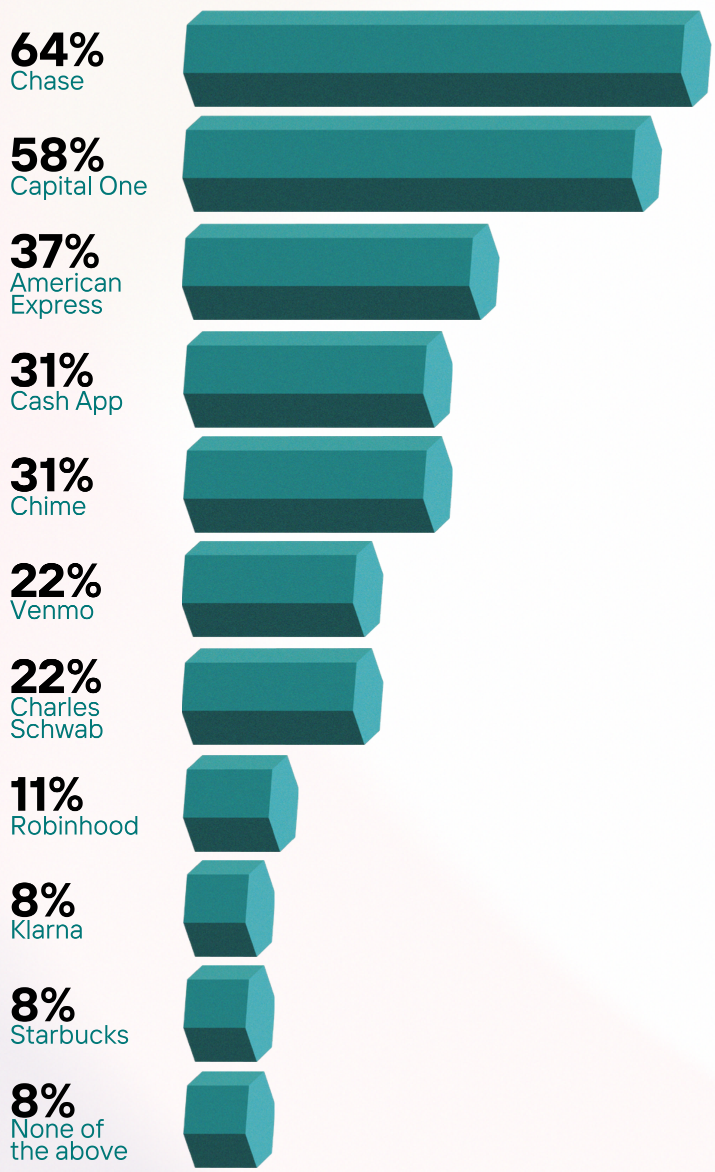
FDIC-insured financial institutions, such as Charles Schwab, which have a brokerage-focused model first, are among the least likely to be seen as a bank.

Traditionally, banks are FDIC-insured institutions, but it's clear that definition is expanding — at least in the public consciousness.

With digital payments apps taking on some or many of the roles that were once the sole domain of traditional banks, digital challengers are single-handedly inspiring this shift. Consumers' recognition of some of the largest banks remains high, but not all FDIC-insured banks meet their criteria for what qualifies as a bank.

This shows consumers are increasingly prioritizing digital features and ease-of-use over traditional offerings, such as FDIC insurance, when determining how to move their money.

Consumers view fintech apps that handle their payments similary to FDIC-insured banks.



Which, if any, of the following would you consider a bank?

SPOILER:

FDIC Insurance is What Traditionally Makes a Bank a Bank

Consumers don't agree on what services can only be offered by a bank.

The only service on this list that is exclusive to banks is FDIC Insurance, which ensures that all deposits up to $200,000 are insured. But this foundational service, while ever-present for banks' customers, is not part of consumers' everyday experience with financial transactions.

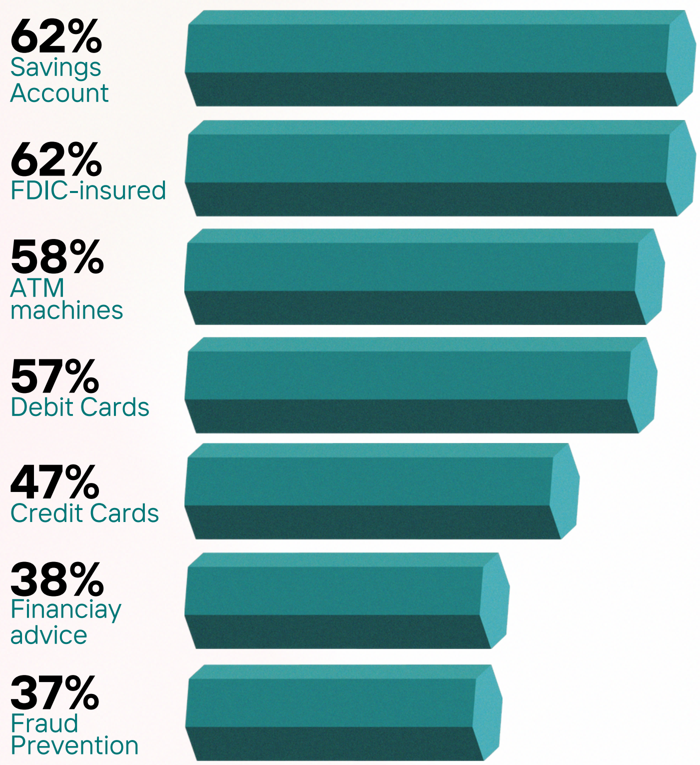
That may be one reason that they're just as likely to think that savings accounts can only be offered by banks (which is not true) as they are to think that only banks offer FDIC insurance (which is).

It's also worth noting that while half of the population cites ATMs as a bank-exclusive service yet over half of the ATM's across the US are independently owned and operated.

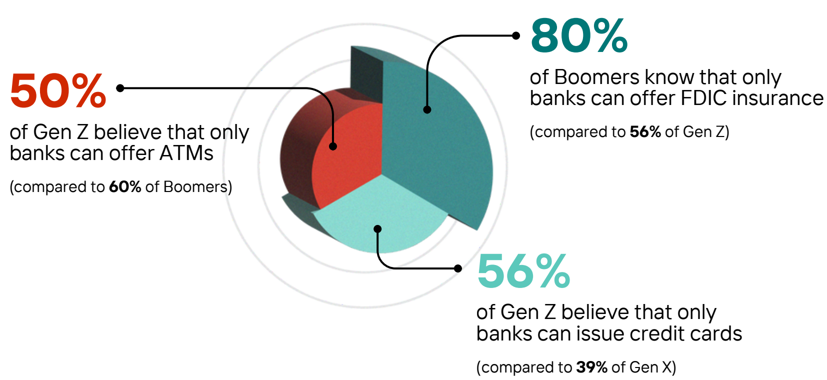
It wasn't too long ago that fintechs and challenger banks had to fight hard to prove their value against traditional banks, in light of not being FDIC insured. According to this data, however, many consumers aren't even aware that the businesses responsible for storing and moving their money don't offer this safeguard–or potentially aren't too concerned.

Because fintechs can provide every other service banks offer — either directly or via partners — fintechs are doubling down on convenience, ease-of-use and speed over the safety of regulated banks. And for many consumers, these characteristics are appealing.

Consumers don't know what makes a bank a bank.



In your opinion, what services can only be offered by a bank?



Younger Generations Embrace an Expanded Definition of Banks

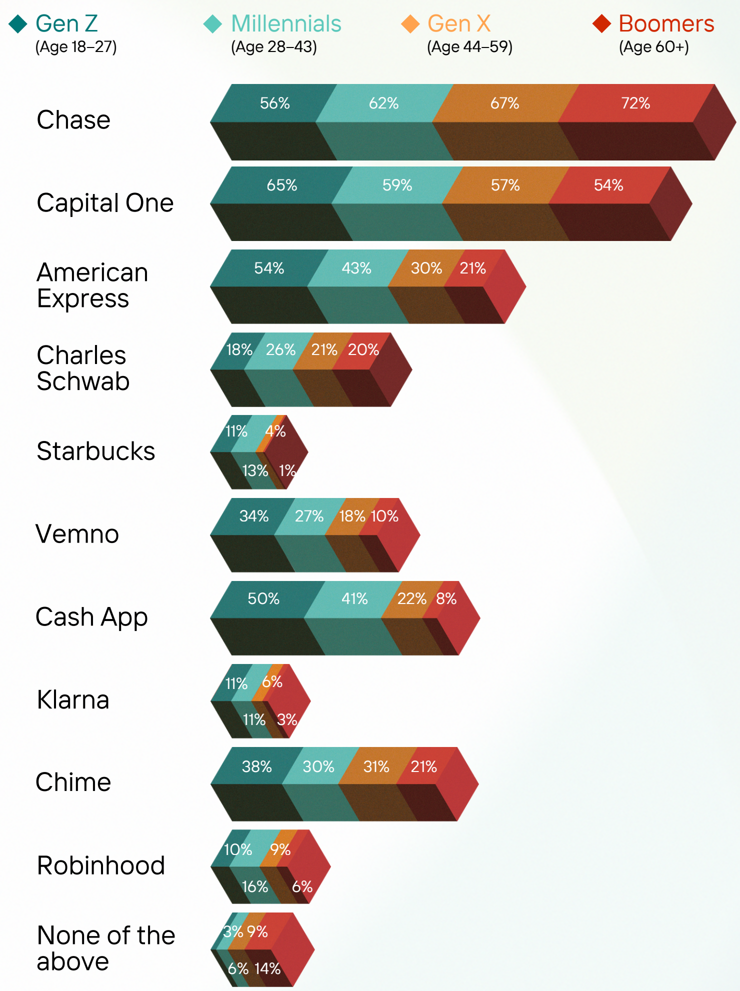
Gen Z has the broadest view of what a bank is with 65% of them recognizing that Capital One is indeed a bank, but 50% sharing that they also view CashApp as a bank.

This is in comparison to the 8% of Boomers who see CashApp as a bank and 72% of them that correctly identified Chase as a bank. Considering that Boomers grew up only with traditional banks, yet 28% of them still didn't identify Chase as a bank and another 46% didn't select Capital One, it's clear there is no longer one universal understanding of banks' unique value proposition.

Younger consumers increasingly view "banking" as a set of services — payments, savings, lending — rather than a specific type of organization.

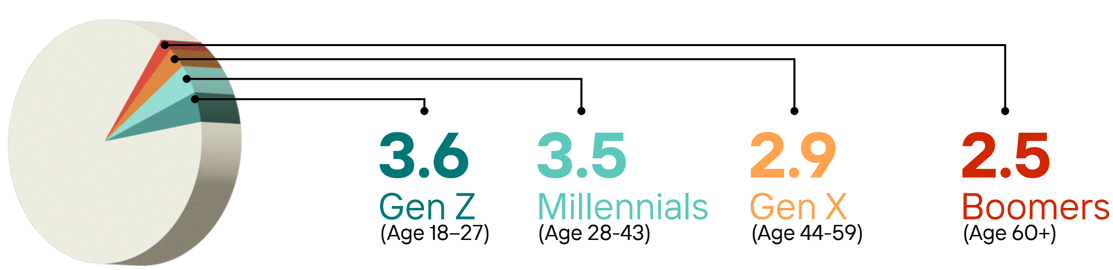
Financial providers can meet this expectation by offering seamless, interoperable services that deliver bank-like capabilities without recreating closed, siloed systems.

Gen Z Views Payment Apps and FDIC-Insured Banks Similarly



Which, if any, of these would you consider a bank?

Average # of analyzed companies considered banks:



The most — and least — important features influencing where consumers deposit and keep money.

When it comes to the institutions that hold and move their money, consumers prioritize security, low fees & FDIC insurance over things like physical branches or 24/7 customer service.

While not all consumers know the difference between traditional banks and digital-first fintechs, they do know that they want to keep their hard-earned cash safe. According to the factors they ranked as the most important, this means that its secure from fraud (49%), isn't subject to too many (or any) fees (41%), and would be backed by the FDIC should the institution itself run into trouble (40%).

The least important three factors, for comparison, are access to cards from widely accepted networks, quick peer-to-peer payments and around-the-clock customer service.

Feature	How many consumers consider this one of the most important 3 factors?	How many consumers consider this one of the least important 3 factors?
Security from Fraud	49%	25%
Low / No Fees	41%	26%
It is insured by the FDIC	40%	30%
No Minimum Balance	36%	30%
Physical branch or storefront that is convenient for me	30%	32%
Good interest options that reward me for saving	29%	35%
Offers cards on the Visa or Mastercard networks	27%	41%
Customer service available 24/7/365 in case I have issues	25%	41%
It allows me to pay my family, friends and acquaintances quickly	24%	41%

What are the top 3 most important features influencing where you deposit and keep money?

Future widespread cash alternatives will need to have a level of anonymity.

Digital payments are infinitely more trackable than cash — not only by governments but by companies that commercially benefit from knowing about users' spending behaviors and habits.

While having access to data does not necessarily guarantee that companies are using it to influence individual consumers' experiences in ways they wouldn't approve of, emerging practices, such as dynamic pricing, can be enough to give some consumers pause on how much they want to use digital payments to make day-to-day purchases that could otherwise be made using cash.

Future digital payment networks looking to offset this concern should consider incorporating privacy safeguards and user-controlled data permissions from the outset — effectively enabling users to make their digital payments as anonymous, or nearly, as cash.

It's clear that many consumers will opt to share the least amount of data possible.

The top three most important features influencing where consumers will deposit and keep money. *By Generation*

Security ranks in the top three across all generations, and its importance increases with age as 43% Gen Z and 57% Boomers ranking it top-3.

The importance of quick peer to peer payments increases with age as 36% of Gen Z rank it in their top three features, but only 14% of Boomers do.

Forty-eight percent (48%) of Gen X cited low / no fees as one of the top three most important features for them, more than any other generation.

The importance of FDIC insurance increases with age as only 31% of Gen Z cite it in their top three factors, which increases to 48% of Boomers. This follows the sentiment of increasing knowledge with age that FDIC insurance can only be offered by banks.

Which of these features landed in consumers' top 3 priorities? (By Age)	**Gen Z** (Age 28-27)	**Millennials** (Age 28-43)	**Gen X** (Age 44-59)	**Boomers** (Age 60+)
Security from Fraud	43%	47%	50%	57%
Low / No Fees	35%	38%	48%	40%
It is insured by the FDIC	31%	37%	44%	48%
No Minimum Balance	34%	36%	38%	29%
Physical branch or storefront that is convenient for me	34%	30%	25%	R
Good interest options that reward me for saving	32%	30%	26%	38%
Offers cards on the Visa or Mastercard networks	29%	28%	29%	19%
Customer service available 24/7/365 in case I have issues	27%	23%	24%	26%
It allows me to pay my family, friends and acquaintances quickly	36%	30%	17%	14%

Gen Z grew up in a world where making mobile payments on an application to friends and family is all they know — and their preference.

For the next generation coming of age — generation Alpha — we'll likely see this trend continue, with a high importance placed on peer to peer digital payments.

The digital peer-to-peer payments systems of today, though, don't natively interact with each other. This makes interoperability a clear next step to prevent this from becoming a larger issue in the future, if left unresolved.

About Interledger Foundation

When it comes to the institutions that hold and move their money, consumers prioritize security, low fees & FDIC insurance over things like physical branches or 24/7 customer service.

Interledger Foundation is an organization building and advocating for an open, interoperable payment network where transactions are not limited to a particular bank, mobile money provider, or location.

The organization works to increase access to digital financial services for the 1.4 billion people worldwide who are currently excluded from traditional banking systems through the Interledger Protocol (ILP), co-created by early Bitcoin contributor Stefan Thomas.

The organization works with partners to integrate its ILP into existing and emerging financial and payments infrastructures. It currently has large-scale projects underway with Wallet Guru, People's Clearinghouse, and Chimoney, to name a few — with plans to deploy interoperability initiatives across countries, including Amsterdam and South Africa.

You can learn more at:
www.interledger.org

Contact Information:
Anna Sheard
Communications Director
anna@interledger.org