



Bank of Nova Scotia: The Perfect Bank Stock for Millennials

Description

Royal Bank of Canada might have the most assets and net earnings of any Canadian bank, but when it comes to courting millennials, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) has its peers over a barrel—a digital one, that is.

Global Finance magazine recently announced regional winners for its 2015 World's Best Digital Bank Awards. Leading the charge in Canada was Bank of Nova Scotia, which, in addition to being named the best digital bank in Canada, also won sub-category awards for website design, integrated consumer bank site, mobile banking, social media, and mobile banking app, beating out both its Canadian peers as well as **Citigroup Inc.** and other banking behemoths in the U.S.

Well done, Bank of Nova Scotia.

If Canadian banks want to capture millennials, they're going to have to do it with digital offerings that meet their needs. This award highlights the fact that Bank of Nova Scotia understands this.

A recent U.S. online survey of 2,100 adults over the age of 18 about their banking needs and wants found some interesting results, which play to Bank of Nova Scotia's strengths. For example, the survey found that 43% of those 18-34 were likely to use a mobile wallet application in the next six months compared to 27% of those aged 45-54, which is commonly thought to be the sweet spot in wealth management.

"For millennials, this means focusing more closely on mobile banking platforms that deliver integrated experiences across platforms while offering the latest digital payments options like mobile wallet participation," said Steve Powless, CEO of Computer Services, Inc., the company behind the survey.

Not surprisingly, Bank of Nova Scotia has a digital wallet.

Another thing millennials are more open to is the idea of online-only banking. According to CSI's survey results, 26% of those 18-34 said they would seriously consider this option if the products and services met their needs. Bank of Nova Scotia owns Tangerine, the online bank it acquired from **ING Groep NV** in 2012.

Tangerine CEO Peter Aceto recently estimated there are upwards of 12 million people in Canada who would consider buying one or more products without ever stepping into a bank branch. It currently has two million clients and plans to capture another million in the near future. If Bank of Nova Scotia continues to lead the way when it comes to courting tech-savvy consumers—both millennials and older people—Bank of Nova Scotia shareholders can expect things to happen on the top and bottom line.

Two million clients is a big number when you consider it doesn't have a costly branch network to maintain. As a result, Tangerine is able to throw these cost savings into improving its operations. At the end of July, J.D. Power named Tangerine the best mid-sized Canadian bank in terms of overall customer satisfaction for the fifth consecutive year.

A strong online presence makes total business sense because if you are able to hook millennials at an early age, you've got a decent chance of gaining a lifelong customer.

While other big banks get all the press, I believe that Bank of Nova Scotia is making many of the the [right moves](#) when it comes to growing its business, both domestically and internationally.

Online—and off.

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1. Bank Stocks
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1. NYSE:BNS (The Bank of Nova Scotia)
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