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2026 Retail Banking Trends and Priorities

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Abstract

The [2026 Retail Banking Trends and Priorities report](#) again shows that digital transformation remains the top focus. If you've read enough of our trend reports, you know what comes next: bold claims about customer-centricity, data-driven personalization, and AI-powered experiences that ultimately lead to modest real change and disappointing results.

This report is different, but not because banking has suddenly realized the need for transformation. It's different because we're no longer pretending the problem is complicated. After reviewing responses from hundreds of financial institutions about their 2026 trends and priorities, the pattern is clear. The banking industry knows exactly what it needs to do. It just refuses to take action.

Consider the evidence. Digital experience drives strategic priorities at 57%, yet 42% of institutions plan to expand their branch networks in 2026. Data and analytics are deemed a critical trend, yet only 28% prioritize funding for it, and just 6% have adopted AI-powered personalization.

Institutions argue that partnerships promote innovation, but then utilize those collaborations to replicate capabilities that every competitor already possesses. Banks acknowledge that non-traditional providers will disrupt 42% of payment services, yet most still lack a solid real-time payments strategy.

This isn't a knowledge problem. It's a courage problem.

Our research indicates that 62% of institutions have been engaged in digital transformation for over two years. However, only 7% have fully achieved their transformation objectives. Meanwhile, 54% are still in early or undefined phases, and 17% lack clear goals altogether. These figures suggest an industry that has become comfortable labeling minor improvements as transformation and confuses activity with real progress.

The good news is that tools for real transformation have never been more accessible. Fintech partnerships are now mainstream, with 67% of institutions already collaborating. AI capabilities are provided by numerous vendors. Real-time payment infrastructure is established. The democratization of technology is happening. A community bank can now implement capabilities that would have needed a large bank's budget just five years ago.

But technology's availability doesn't matter when leadership refuses to make tough decisions or when the status quo remains the norm.

Every dollar spent on expanding branches is a dollar not invested in developing the digital capabilities you view as strategic. Every partnership used to mimic common features is a missed opportunity for true differentiation. Every AI deployment focused on back-office efficiency instead of customer experience is a choice to optimize the past rather than build the future.

The harsh truth this report reveals is that banking's transformation challenge isn't technical, financial, or competitive. It's cultural. The industry is stuck between what executives know they should do and what they're actually willing to do.

This report offers the data, analysis, and recommendations. What it can't provide is the leadership courage to act on them. That responsibility is yours.

Thank you to [Q2](#), who continues to fund this important research.