

Antecedents of older adults' response to the digitalisation of banking and their impact on trust in the bank and its frontline employees

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Abstract

Older adults face challenges when digital replaces human interaction in banking. Age-related issues, such as technological anxiety and loss of rapport with frontline employees, occur when branches close due to digitalisation. This study examines loneliness, social support, and self-efficacy as antecedents of older adults' need for rapport and their technological anxiety.

Cognisant that frontline employees are the public face of services, it also explores how need for rapport and technological anxiety shape trust in the bank and its employees. Findings from a US sample of 310 banking customers aged 60+ reveal that loneliness is associated with both need for rapport and technological anxiety. Self-efficacy and social support also drive need for rapport. Frontline employees remain important for banking services, as rapport is positively associated with trust in the bank and in its employees, whereas technological anxiety negatively affects both forms of trust.

Keywords

Older adults, retail banking, digitalisation.

Track

Service Marketing and Service Innovation

1. Introduction

Population ageing is one of the most significant transformations of the twenty-first century. Extant studies have investigated factors motivating older customers' engagement with technology (Reichel et al., 2024), the promise presented by smart intelligence (Wirtz & Stock-Homburg, 2025), and the role of service robots in supporting inclusion for older adults who may be living alone or have mobility challenges (Mahr et al., 2025). Yet digitalisation of vital services such as banking could leave older people 'potentially adrift', especially when digital replaces physical service provision (Age UK, 2023). 67% of the total UK bank branch network closed since 2015 and 40% of individuals have lost access to their local bank branch (Wilson, 2025). Older people are more likely to live alone, experiencing lower social connections and greater loneliness (OECD, 2025), leaving them particularly vulnerable to these changes (Age UK, 2023). Studies call for a better understanding of older adult's response to new technologies (Reichel et al., 2024).

Two problems associated with bank digitalisation that affect older people are the loss of rapport with branch staff and their anxiety about using technology for banking (Age UK, 2023). Rapport, 'the emotional experience of high-quality interactions' (Baker et al., 2020, p. 330), is an important dimension of customer relationships (Lin & Lin, 2017). Older adults (Rosenbaum et al., 2007) seek rapport with branch staff, and they may have lost other social resources through getting older or living alone (Tsai et al., 2025). Older adults also experience technology-related anxiety (Kim et al., 2023). Although some older adults are digitally connected (Chattaraman et al., 2012), they still have concerns about digital banking, for example, fear of fraud (Age UK, 2023). Age UK (2023) highlights the isolation faced by older adults as a concern in a digital world. Thus, this paper investigates loneliness, perceived social support, and self-efficacy as antecedents of older adults' need for rapport and their technological anxiety. It also explores the relationship between these variables and older adults' trust, as trust is important for interpersonal relationships (Ying et al., 2023).

2. Literature review and research hypotheses

2.1 Older adults' need for rapport and technological anxiety

Even in fleeting, superficial encounters (e.g., getting coffee), an interpersonal interaction can be of high quality (Baker et al., 2020). Rapport is a personal bond between an employee providing service and an adult using the service, with an enjoyable interaction due

to personal connection (Macintosh, 2009). Literature highlights the importance of a ‘third place’ outside the home (e.g., a bank branch), where individuals experience rapport (e.g., with bank staff), which provides feelings of friendship (Rosenbaum et al., 2007). When branches close, these social supports and companionships are lost as the ‘third place’ of the bank branch is lost. Further, security concerns, self-blame for fraud and unclear privacy policies leave older adults with anxiety about banking technology use. Fearful of going online, they worry about scams or that their digital skills are not good enough (Age UK, 2023). These fears may be worsened where adults are isolated or perceive lower self-efficacy (Bandura, 1982). We therefore investigate three antecedents of older adults’ need for rapport and technological anxiety: loneliness, perceived social support, and self-efficacy.

Loneliness is the experience that occurs when one’s network of social relations is deficient in some important way (Perlman & Peplau, 1981). It has a prevalence among older adults (OECD, 2025) and is highlighted as an issue for digital inclusion (Age UK, 2023). Loneliness can motivate individuals to connect with others (Pfeifer et al., 2025; Kim et al., 2005). Thus, we hypothesise:

H1: Loneliness is positively associated with need for rapport.

Loneliness also biases attention towards social threats (Pfeifer et al., 2025) and influences technological anxiety in a general context, particularly among older adults (Tsai et al., 2025). Therefore, we hypothesise:

H2: Loneliness is positively associated with technological anxiety.

Social support is the degree of satisfaction with social relationships (Cohen & Willis, 1985) that fosters a sense of security and of being understood, providing emotional and instrumental support. While technology such as service robots could support interaction (Mahr et al., 2025), 64% of older adults still seek help from loved ones when accessing their banking (Age UK, 2025). Age-related issues such as retirement or loss of spouse or friends, can lead to social isolation (Tsai et al., 2025). This lack of social support may drive older adults to seek rapport in their day-to-day interactions. We posit:

H3: Perceived social support is negatively associated with need for rapport.

Older adults also experience barriers to using technology, including frustration and scepticism about online information (Pourrazavi et al., 2021). They may require social support to alleviate these barriers (Chattarman et al., 2012). We hypothesise:

H4: Perceived Social Support is negatively associated with technological anxiety.

Individuals with greater self-efficacy expend more effort and initiate more coping behaviour when faced with difficulties (Bandura, 1977). They are also more willing to carry

out relationship promoting and maintenance behaviours (Weiser & Weigel, 2016). As rapport with an employee is an important relationship variable (Macintosh, 2009), we propose:

H5: *Self-efficacy is positively associated with greater need for rapport.*

Self-efficacy is also associated with acceptance of technology (Alharbi & Drew, 2018). High self-efficacy individuals believe they can protect themselves and overcome barriers when considering risks associated with digitalisation in banking (Jiang et al., 2022). Higher self-efficacy is also associated with cognitive (perceived ease of use) and affective (pleasure) response to technology (Kulviwat et al., 2014). Therefore, we hypothesise:

H6: *Self-efficacy is negatively associated with technological anxiety*

2.2 Older adults' trust in the bank and in employees

Trust is a belief or an acceptance of vulnerability based on a positive expectation of behaviours and intentions of others (Rousseau et al., 1998). It is a key component of relationships (Guo et al., 2022). Trust could be negatively affected by the replacement of humans by technology. While technologies such as chatbots are becoming common in services, consumers still appreciate service by humans (Huang et al., 2024). We investigate both the belief in the trustworthiness of other people (Guo et al., 2022) (i.e., trust in branch employees) and trust in institutions (i.e., trust in the bank). Extant studies suggest that rapport helps to foster trust (Macintosh, 2009). Bonding, characterised by feelings of friendship with the branch employee, is also associated with trust (Macintosh, 2009). Conversely, technological anxiety can negatively impact on trust (Meng et al., 2022). We posit:

H7: *Need for Rapport is positively associated with trust in **a)** branch employees and **b)** the bank.*

H8: *Technological Anxiety is negatively associated with **a)** branch employees and **b)** the bank.*

3. Method

Our study used a convenience sample of 310 older adults in the United States. Eligibility criteria included having an active sole/shared bank account, age 60 years or older (in line with Tsai et al., 2025), and having prior experience of using mobile banking and interacting with bank branch employees. Ages ranged from 60 to 90 years ($M = 65.89$; $SD = 5.42$), 58.1% were female. 29.68% lived alone and 21% provided care to another person. Respondents were with their bank 19.5 years on average. The study adhered to the University

ethical standards. Participants were recruited via Prolific in 2024 and completed an online survey by Qualtrics.

Well-established scales were used. Loneliness was measured using the 6-item De Jong Gierveld Loneliness Scale (de Jong Gierveld & Van Tilburg, 2006). Perceived social support was measured using the Multidimensional Scale of Perceived Social Support (MSPSS) (Zimet et al., 1988). Self-efficacy was measured using a shortened version of the Generalised Self-Efficacy Scale (GSE) (Schwarzer & Jerusalem, 1995). Need for rapport followed Macintosh's (2009) measure. Technological anxiety was measured using items adapted from Cham et al. (2022). Finally, trust in employees was assessed using an adaptation of Macintosh's (2009) scale and trust in the bank with the scale by Rajaobelina et al. (2021).

4. Results

The analysis was carried out using partial least squares structural equation modelling (PLS-SEM) through the SmartPLS 3.0 software. Loneliness and perceived social support were conceptualised as second-order reflective constructs. Their specification followed the disjoint two-stage approach. In the first stage, lower-order dimensions were assessed. One item from the emotional loneliness dimension was removed due to a loading below 0.7. After this deletion, individual reliability was confirmed as all factor loadings were above 0.7 and statistically significant. All constructs showed adequate internal consistency reliability (composite reliability (CR) > 0.7) and convergent validity (average variance extracted (AVE) values > 0.5). Discriminant validity was also supported, with HTMT values below 0.90 and bootstrap confidence intervals not including 1. In the second stage, the latent variable scores of the first-order constructs were used as indicators of the second-order constructs. All indicator loadings were above 0.7 and statistically significant. The CR values exceeded the threshold of 0.7 and the AVE values were all above 0.5, confirming the consistency reliability and the convergent validity of the constructs. Discriminant validity was also supported.

A bootstrapping procedure with 10,000 sub-samples was used to test the hypotheses, with age and gender as control variables. The model explains 15.6% of rapport variance, 12.2% of technological anxiety, 24.3% of trust in employees and 44.6% of trust in the bank. The Stone-Geisser test criterion (Q^2) exceeded the threshold of 0 for all dependent variables, supporting the predictive relevance of the model. The SRMR showed a value of 0.08.

As shown in Table 1, loneliness showed a significant positive effect on both need for rapport and technological anxiety, supporting H1 and H2. Perceived social support

significantly increased need for rapport, while its effect on technological anxiety was non-significant, leading to the rejection of H3 and H4. Self-efficacy positively influenced need for rapport, supporting H5, but had no significant effect on technological anxiety, rejecting H6. Finally, need for rapport had a significant positive effect on both trust in employees and trust in the bank, supporting H7a and H7b, whereas technological anxiety negatively influenced trust in employees and trust in the bank, supporting H8a and H8b. Regarding the controls, only age showed a significant effect: older participants tended to report higher trust in the bank.

Table 1. Structural model results

Hypotheses	β	t-value	p-value	CI
H1. Loneliness $\rightarrow$ Rapport	0.180	2.253	0.024	[0.016,0.328]
H2. Loneliness $\rightarrow$ Technological anxiety	0.404	4.537	0.001	[0.224,0.570]
H3. Perceived social support $\rightarrow$ Rapport	0.361	4.844	0.001	[0.214,0.508]
H4. Perceived social support $\rightarrow$ Technological anxiety	0.108	1.395	0.163	[-0.053,0.250]
H5. Self-efficacy $\rightarrow$ Rapport	0.232	3.39	0.001	[0.100,0.368]
H6. Self-efficacy $\rightarrow$ Technological anxiety	-0.02	0.285	0.775	[-0.161,0.118]
H7a. Rapport $\rightarrow$ Trust in employees	0.383	4.214	0.001	[0.167,0.525]
H7b. Rapport $\rightarrow$ Trust in bank	0.641	16.73	0.001	[0.561,0.712]
H8a. Technological anxiety $\rightarrow$ Trust in employees	-0.320	4.171	0.001	[-0.468,-0.171]
H8b. Technological anxiety $\rightarrow$ Trust in bank	-0.163	3.103	0.001	[-0.267,-0.064]

5. Discussion

Our results suggest frontline employees retain an important role for older adults accessing vital banking services. Loneliness, perceived social support, and self-efficacy drive need for rapport with frontline staff in the branch. Those who are lonely may reach out to branch staff to enjoy their companionship (Macintosh, 2009). Findings suggest individuals' ability to foster bonds with close social networks also motivates them towards fostering bonds with branch, perhaps because they can then help them with banking. Those with higher self-efficacy had a greater need for rapport, supporting literature that shows high self-efficacy individuals carry out relationship supporting behaviours (Weiser and Weigel, 2016).

Extant research suggests older adults are not confident using technology for banking (Tims, 2022). We find loneliness is associated with technological anxiety. We also show rapport with staff is associated with greater trust in the bank and its employees. Conversely,

technological anxiety is negatively associated with both forms of trust. Findings indicate a potential detriment to trust from technological anxiety and an opportunity to enhance trust through rapport with branch staff.

This study has several managerial implications. First, loneliness, self-efficacy and perceived social support were all associated with a need for rapport. Rapport with bank staff provides company for those who are alone and seek interactions and friendship and extends a support network from family and friends that those with stronger social support may appreciate. We also show that rapport is positively associated with trust while technological anxiety is negatively associated. Therefore, retaining a core staff to meet with older adult customers or having specific days where older adults can visit the branch for a chat and technical support, could foster trust and support well-being. One cost-free initiative for regular customers would be to encourage staff to remember customers' names and greet older customers by name, to build rapport.

It may not always be feasible for banks to keep branches open. For banks, incorporating artificial agents such as chatbots with a language ability that evoke a social presence in the older adult's mind could provide social support. Technology with more informal, relational dialogue, and social interactions such as greetings, small talk, emotional support and positive expressions could support rapport and trust (Chattarman et al., 2012). This approach to digitalisation could help reduce technological anxiety and foster trust.

A recent OECD report (2025) advocates improving access to social infrastructure such as community organisations for socialising and building a sense of community. The UK have also launched bank branch hubs, known as 'community hubs' (Wilson, 2025), where employee counter services are offered with designated days for banks to interact with customers. We advocate that locations of these community hubs would be prioritised where there are older demographic profiles, so that the bank branch and interaction with branch staff can remain part of the older adult's 'third place'. Including staff trained in explaining technology and online safety could help to mitigate technological anxiety.

Study limitations provide avenues for further research. Our study was conducted online, which may have excluded older adults with difficulties accessing technology. Yet there is a distinction between those who have challenges when accessing financial services online but can use the Internet for other purposes. We therefore had reasonable expectation that participants could access and complete our study. Further, digitalization could exacerbate loneliness, as poor digital skills have been linked to greater loneliness and isolation. It would be helpful to conduct a longitudinal study further investigating this relationship.

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