



PYMNTS  
INTELLIGENCE

INGO Payments

March 2026

# Instant Account Activation: Why Funding Speed Is the New Battleground for Deposit Growth

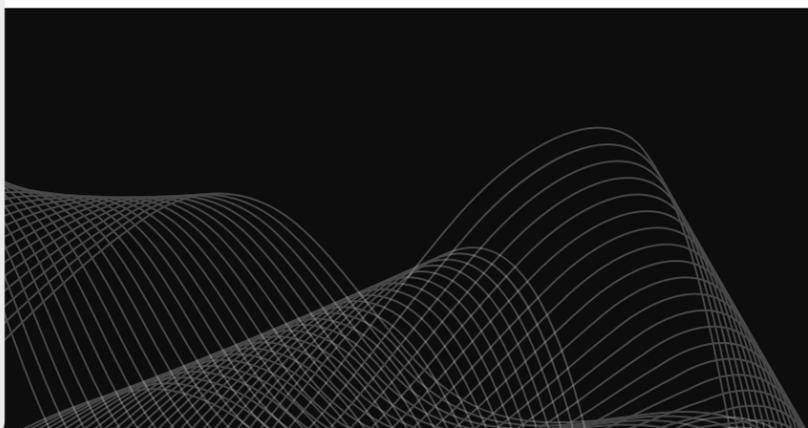
Money Mobility Tracker® Series

Banks and credit unions are opening millions of new accounts, but far too many never become active relationships. As FinTechs deliver instant funding and immediate usability, traditional institutions must accelerate account activation or risk losing deposit growth before engagement even begins.

■ Read the previous edition



FEBRUARY 2026  
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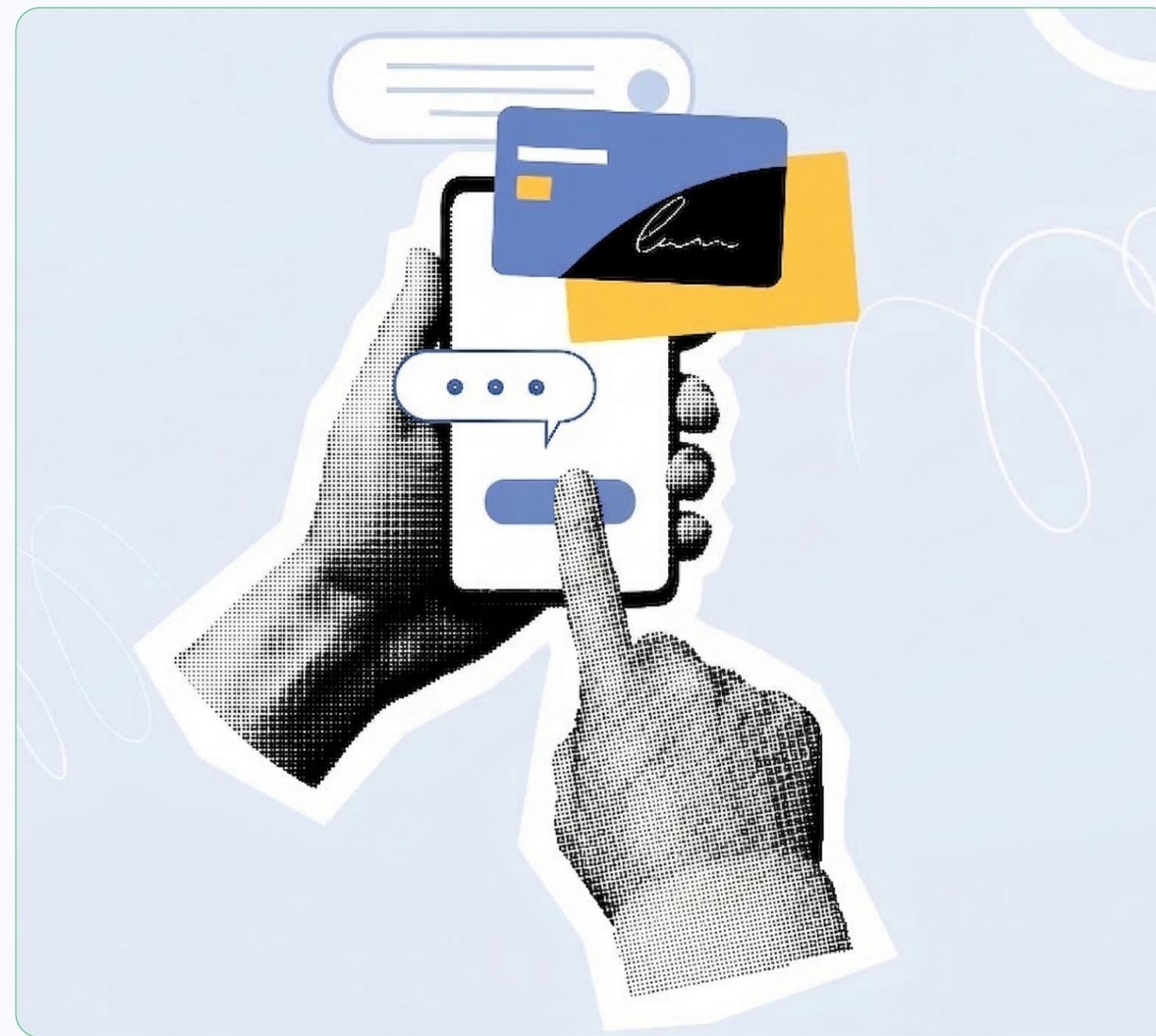
### Acknowledgment

The Money Mobility Tracker® Series is produced in collaboration with Ingo Payments, and PYMNTS Intelligence is grateful for the company's support and insight. PYMNTS Intelligence retains full editorial control over the following findings, methodology and data analysis.

# Introduction

United States consumers opened 200 million [new accounts](#) in the last 12 months alone, and nearly half of all new checking accounts went to [FinTech platforms](#) competing directly with traditional financial institutions (FIs) for deposits. The problem for banks and credit unions (CUs) is what happens after accounts open. Winning the deposit relationship increasingly depends not merely on account opening but also on whether new accounts are funded and activated immediately.

With the average consumer in the U.S. now holding between five and seven financial accounts, competition for primary deposit status is intensifying. Institutions that fund and activate new accounts immediately are better positioned to convert openings into primary, sustained relationships.

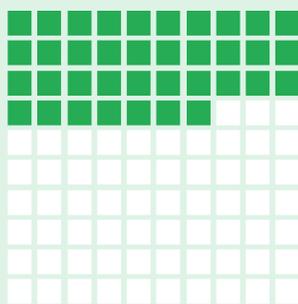


## False Starts

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# Account Opening Is No Longer the Finish Line—Activation Is

For FIs, opening a new account has long been the primary measure of acquisition success. However, when FinTech competitors deliver more immediate access to funds, traditional institutions risk losing deposit relationships before they ever take hold.



# 37%

of FIs report digital onboarding abandonment rates exceeding 40%.



## False Starts

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# Competition for new financial accounts has become fierce.

Opening an account has historically been the primary milestone in customer acquisition for financial institutions. Today, however, the competitive landscape has shifted dramatically. U.S. consumers open hundreds of millions of accounts each year, but for the last several, FinTech platforms have dominated banks in checking account openings. The appeal of FinTechs often lies in their product offerings that provide distinctive features and functionality, such as Chime, PayPal or Square. However, the ability to convert onboarding into immediate engagement is becoming a critical competitive factor—one where traditional banks frequently fall short.

# Account opening is a multistep process.

Account opening does not begin and end with a customer's application. Many traditional banks continue to face significant friction during the onboarding process. Surveys of banking executives indicate that more than half of FIs experience digital onboarding abandonment rates between 25% and 40%, while more than one-third (37%) report application abandonment rates exceeding 40%. These drop-offs highlight the fragility of the early customer journey, where small delays or additional steps can discourage prospective customers from completing the process. Ensuring frictionless onboarding has become a prerequisite for account opening—but that is just the first step.

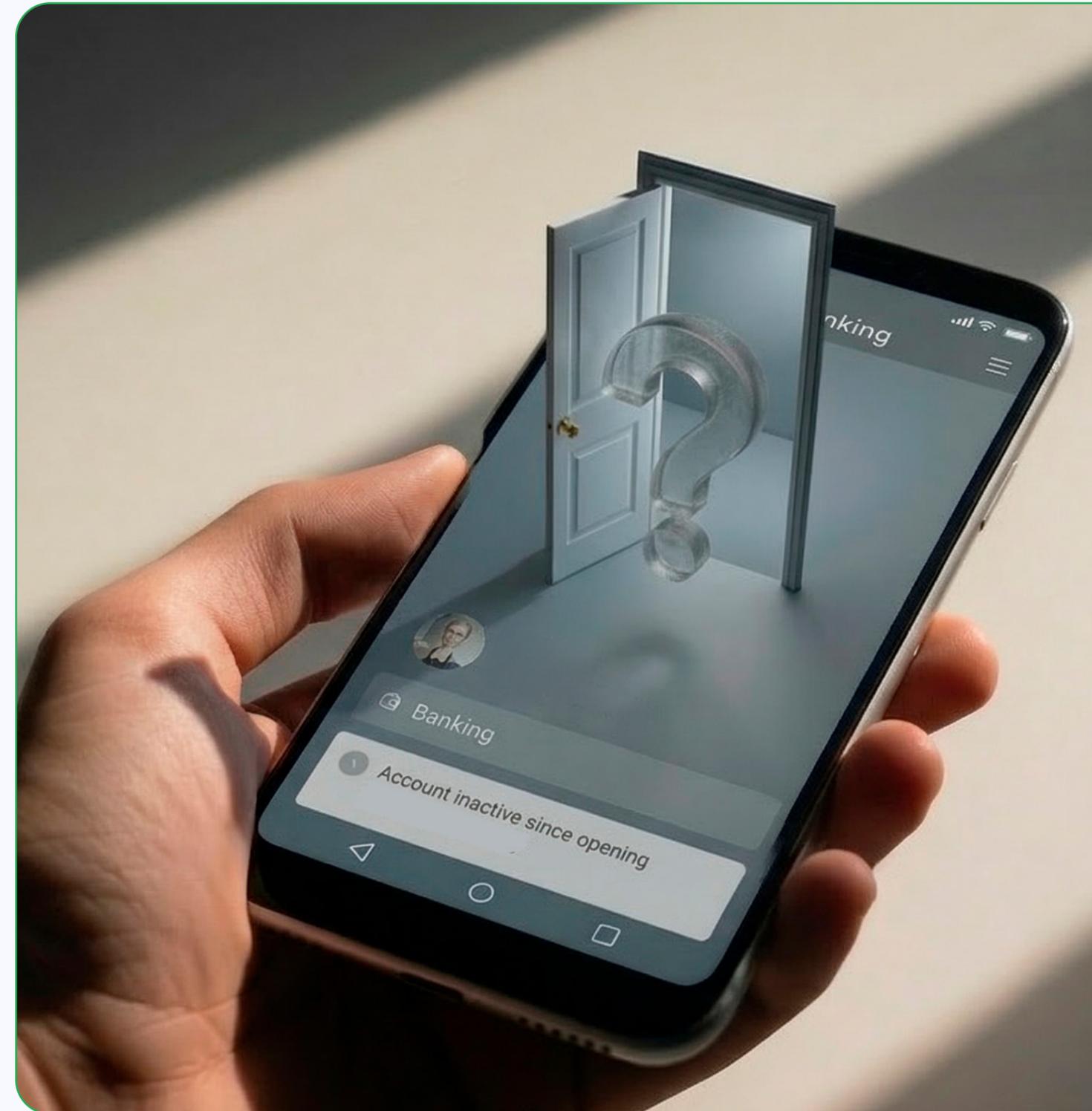
## False Starts

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# Many customer relationships never progress beyond account opening.

Even when an account is successfully opened, funding can remain a barrier. Many institutions still rely on [automated clearing house \(ACH\)](#) transfers that often require several days to settle. These delays create a gap between account creation and usability. When customers cannot immediately move money into a new account or access funds, engagement can stall.

In some cases, accounts remain unused or are closed before the relationship ever becomes active. More than one-third (34%) of new [checking accounts](#) become inactive within their first year, suggesting that many never progress beyond the opening stage. For FIs investing heavily in digital acquisition, these dormant accounts represent lost opportunities to capture deposits, drive transactions and deepen customer relationships.



## False Starts

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# The true measure of customer acquisition is turning account openings into active relationships.

Consumers increasingly demand convenience and speed in their banking relationships. FinTech competitors have responded by emphasizing [instant access](#) as a core feature of their onboarding experiences. By allowing customers to fund accounts immediately and begin using them within minutes, these platforms reduce friction and accelerate engagement. For traditional institutions, the message is clear: Account opening alone is no longer sufficient. Activation—defined by immediate funding and real usage—has become the new finish line.



## Idle Accounts

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# Dormant Accounts Carry Hidden Costs—and Strategic Risk

Accounts that remain unfunded or inactive after opening represent more than a missed opportunity for engagement. They create operational costs, obscure true performance metrics and weaken the return on banks' customer acquisition investments.



# \$561:

Average customer acquisition cost for retail banking, an investment that may not be recouped if the account goes inactive

## Idle Accounts

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# Dormant accounts are a significant pain point for FIs.

Dormant accounts are often treated as a temporary stage in the customer life cycle. In reality, they represent a significant operational challenge for financial institutions. Accounts that are opened but never funded, or funded too slowly, do not simply sit idle: They create [tangible costs](#) while obscuring the true performance of customer acquisition efforts. Operationally, inactive accounts still generate overhead. FIs must maintain them within core processing systems, manage statement delivery requirements and monitor compliance obligations such as escheatment tracking for dormant or unclaimed funds. These ongoing administrative responsibilities create a persistent drag on efficiency ratios and can erode return on assets over time.

In many cases, accounts that remain unfunded are [automatically closed](#) after a short period, often within 60 days. While this practice helps limit long-term operational costs, it can introduce new inefficiencies. Closing and potentially reopening accounts requires additional administrative work, and institutions may need to re-engage customers who return later seeking to activate their accounts.

## Customer acquisition costs make dormant accounts even more expensive for FIs.

According to industry benchmarks, the average [customer acquisition cost](#) (CAC) for retail banking exceeds \$560, while commercial accounts average \$760. By comparison, digital banks average \$290 in acquisition costs. When newly opened accounts remain inactive, the acquisition investment often fails to deliver a meaningful return for traditional FIs.

Dormant accounts also create strategic [blind spots](#). High account-opening numbers may appear to signal strong growth, but if a significant share of those accounts never become active, key performance indicators can prove misleading. Institutions may believe they are expanding their customer base when, in reality, engagement levels are stagnant or declining.

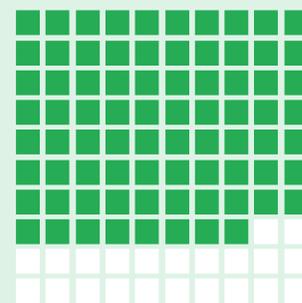
In an environment where deposit competition is intensifying, these hidden costs and distorted metrics can weaken banks' competitive position. FIs must ensure that new accounts move quickly from opening to activation, converting acquisition investments into sustained deposit relationships. Without that transition, even strong growth in account openings may fail to translate into material financial performance.

## Primacy Prize

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# Instant Funding Is Becoming the Decisive Lever for Deposit Primacy

As customer expectations for speed and convenience continue to rise, instant account funding and real-time payment capabilities are emerging as the most effective way to drive activation, retention and primary account status.



# 78%

of Gen Z consumers say instant payments are important.

## Primacy Prize

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# The ability to fund accounts instantly is becoming a key differentiator for FIs.

Instant account funding and real-time payment capabilities allow customers to move money into newly opened accounts immediately, eliminating the delays associated with traditional payment rails and accelerating activation and engagement. This approach aligns with rising consumer demand for instant payments. Nearly 60% of consumers say [instant payments](#) are important, and the figure climbs to 78% among Generation Z consumers. Much of this demand is driven by expectations for 24/7 access to funds and the ability to complete financial transactions without waiting for settlement windows.

Institutions that deliver these capabilities are already seeing measurable benefits. Research indicates that FIs offering instant payments report [higher satisfaction](#) and lower attrition, with instant-payment users showing 8% higher satisfaction with their primary financial institution.



## Primacy Prize

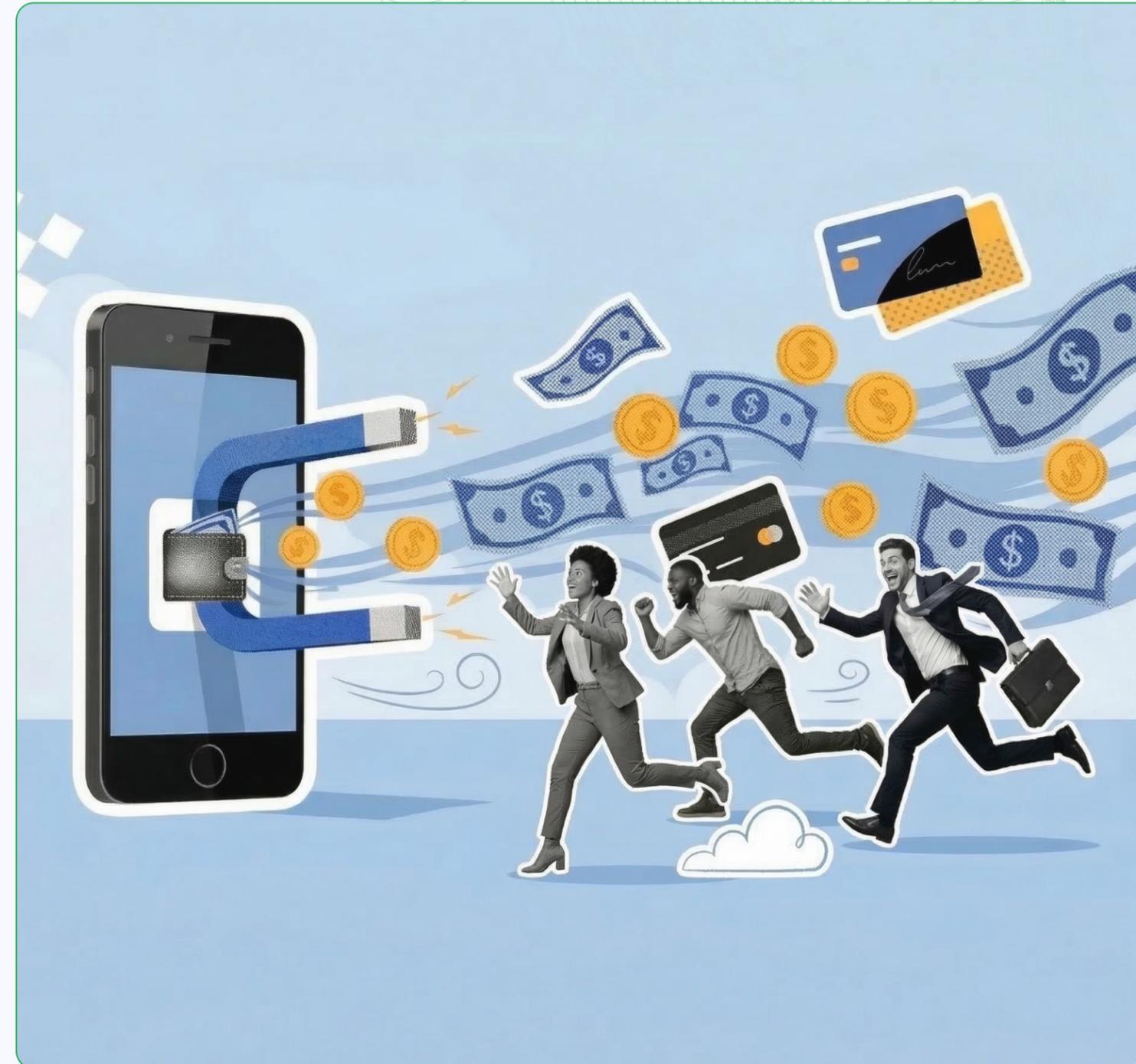
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# Instant payments are strongly linked to customer retention.

Among FIs that have enabled instant payments, 93% report a positive impact on customer retention, according to [PYMNTS Intelligence](#) research. By enabling faster access to funds, these institutions create more immediate value for customers and encourage them to rely on their accounts for everyday financial needs.

Instant funding also directly influences deposit behavior. Faster, lower-cost [payment rails](#) can encourage customers to maintain higher balances and conduct more transactions using accounts that support real-time capabilities. As a result, accounts that offer instant funding are more likely to evolve into customers' primary deposit relationships.

Taken together, these trends suggest that instant funding has evolved from a simple convenience feature to a crucial strategic lever that shapes how customers choose their primary financial institution and where they ultimately place their deposits.



## Call to Action

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# Accelerating Account Funding for Improved Customer Retention

Financial institutions face a widening gap between the speed at which customers expect to access their money and the slower funding processes many banks still rely on. Accounts that cannot be funded and used immediately often remain inactive, undermining acquisition investments and giving FinTech competitors an opportunity to capture deposit relationships before engagement begins. Closing this activation gap requires a deliberate focus on frictionless onboarding experiences and instant account funding to enable immediate usability.

PYMNTS Intelligence offers the following actionable roadmap for FIs seeking to close the competitive gap with FinTechs through instant account activation:

**Enable instant funding at account opening** by supporting both ACH transfers and account funding transactions (AFTs), giving customers the ability to move money into new accounts immediately, using their preferred method.



“We’ve spent 25 years building money movement infrastructure for some of the largest brands in North America. The problem hasn’t changed. If a customer can’t fund their account and use it right away, you’ve lost them. We help banks and credit unions offer embedded payments experiences that activate accounts instantly so that the relationship really starts.”

DREW EDWARDS  
CEO



**Ensure fraud and compliance controls** are built to operate at the speed of real-time funding. Faster rails increase exposure if risk decisioning isn’t designed to match the pace of instant transactions.

**Drive immediate engagement** by prompting customers to fund accounts, set up direct deposit or link external payment methods during onboarding.

**Align operations, risk and digital teams** around a shared instant funding rollout plan. Fragmented internal ownership is one of the most common reasons deployment timelines slip and customer experience suffers.

**Monitor activation metrics** including time-to-first-funding and early transaction activity to identify where new accounts stall before becoming active.

Together, these actions can help traditional FIs narrow the activation advantage that FinTech competitors have established. Financial institutions that prioritize instant activation will be better positioned to convert account openings into durable relationships and secure primary deposit status.

# About

## PYMNTS INTELLIGENCE

[PYMNTS Intelligence](#) is a leading global data and analytics platform that uses proprietary data and methods to provide actionable insights on what's now and what's next in payments, commerce and the digital economy. Its team of data scientists include leading economists, econometricians, survey experts, financial analysts and marketing scientists with deep experience in the application of data to the issues that define the future of the digital transformation of the global economy. This multilingual team has conducted original data collection and analysis in more than three dozen global markets for some of the world's leading publicly traded and privately held firms.

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## INGO Payments

Ingo Payments empowers banks, FinTechs and enterprises to deliver modern financial experiences through its payments infrastructure platform. Ingo's bank-grade modern money stack, built with embedded compliance and risk management, enables seamless account funding, transfers, mobile deposits and payout solutions across a wide range of industries and use cases. With a vertically integrated platform, Ingo helps clients minimize third-party risk, reduce operational complexity and lower costs—all while accelerating go-to-market timelines. Headquartered in Alpharetta, Georgia, Ingo employs more than 240 payments experts and serves some of the largest brands in North America. Learn more at [ingomoney.com](https://ingomoney.com).

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