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# **Generational Perspectives on Trust in Bank and Non-Bank Pay- ment Options at Digital Checkout**

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ABSTRACT (MAX. 200 WORDS):

This thesis explores how different generational cohorts in Sweden construct and compares trust toward bank-based and non-bank digital payment services during online checkout situations. Drawing on McKnight et al.'s Web Trust Model, the study examines how trust is shaped through perceptions of security, institutional safeguards, usability, and provider reliability in a highly digitalised payment environment influenced by open banking and PSD2 regulations. Using a qualitative, interpretive approach, twelve semi-structured interviews were conducted across four generations: Baby Boomers, Generation X, Millennials, and Generation Z. The findings show that trust is strongly connected to immediate payment confirmation, familiar interfaces, perceived control over spending, and institutional reassurance linked to banks and regulation. While younger participants generally displayed greater comfort with non-bank services, older participants relied more on familiarity and perceived safety. The study contributes to Information Systems research by highlighting how trust is negotiated differently across generations within contemporary digital payment ecosystems.

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# 1 Introduction

The rapid expansion of FinTech has introduced digital, customer-centred alternatives that disrupt traditional banking and reshape how financial services are provided (Arora et al., 2025). In everyday payments, many of these FinTech providers are innovative, technology-driven financial companies (Milian et al., 2019) that operate on top of existing bank accounts, presenting account-linked digital options next to more traditional bank-based methods at checkout. This transformation has accelerated further with the rise of open banking under the European Union's Second Payment Services Directive (PSD2), where banks expose Application Programming Interfaces (APIs), standardised technical interfaces that let licensed third-party providers connect to accounts so that these providers can access account data and initiate payments on customer's behalf, thereby expanding the role of non-bank actors in digital financial ecosystems (Farrow, 2020; Muthukannan et al., 2026; Mansour, 2025). As a result, consumers increasingly encounter a choice at the digital checkout between bank-based payment options such as card payments or Swish, and non-bank FinTech (third-party) alternatives such as Trustly (account-to-account bank transfers) and Klarna, a leading Buy Now, Pay Later (BNPL) provider, etc., raising important questions about how they perceive and trust these different services.

The scale of this shift is already substantial. In Sweden, one of the most digitally mature and cashless payment markets in the world, this development is particularly visible. The Swedish payments market is almost entirely digital, with cash accounting for only a small minority of in-store purchases (Sveriges Riksbank, 2025), and estimates suggest that between 100 and 150 million payment initiations by third-party providers occur annually (Finansinspektionen, 2023; Mansour, 2025).

Despite the widespread use of these services, consumer understanding of the institutional arrangements behind them remains limited. Research suggests that many individuals regularly use services operating through open-banking infrastructures without fully realising that they involve data sharing or payment processing by non-bank providers (Mansour, 2025). Nevertheless, limited technical understanding does not imply an absence of trust evaluation. Rather than assessing the underlying infrastructure directly, consumers may instead rely on visible cues such as brand familiarity, institutional reputation, and prior experience when evaluating payment options. In this regard, traditional banks benefit from long-established credibility and familiarity, whereas FinTech providers may be perceived as less familiar or less immediately legitimate, particularly when users have limited prior exposure to them (Mansour, 2026).

Trust therefore plays a central role in how individuals navigate digital payment environments. Within digital financial ecosystems, trust extends beyond confidence in technology itself and encompasses perceptions of institutional reliability, security, and legitimacy across the organizations involved in facilitating transactions, especially when multiple banks and non-bank providers participate in the same payment journey. A thematic review of trust in digital banking identifies institutional quality, technological security, and user experience as key drivers of trust, while fraud and digital illiteracy represent important barriers (Yacoubian, 2025). Qualitative research on digital payment systems similarly shows that security measures, transparency, perceived risk, and usability strongly influence consumer trust and thereby affect



both adoption and continued use (Beheri et al., 2025). However, existing research largely examines trust as a generalized perception toward a single system or provider, with limited attention to how consumers construct and compare trust across bank-based and non-bank payment options within the same checkout moment.

Despite widespread adoption of digital finance, levels of confidence and familiarity differ across age cohorts. Information Systems research shows that trust in online exchange is not a single undifferentiated feeling but involves beliefs about whether a provider is competent, acts in the user's interests, is honest and keeps promises, and whether institutional structures and safeguards such as monitoring, legal protections, and accreditation make the environment feel safe for transacting (McKnight et al., 2002; Pavlou, 2002). In Sweden, large-scale survey data show that almost all adults use the internet and that e-services such as mobile BankID and Swish are widely adopted, but that age remains the factor with the greatest impact on digital behaviour: younger cohorts are the most active users of mobile-based payment solutions such as tap-to-pay and Swish, while older cohorts adopt these services more gradually and report a much higher need for digital assistance (The Swedish Internet Foundation, 2024). Although generational differences in digital banking adoption have been widely discussed, far less attention has been paid to how different age groups construct and compare trust when confronted with competing payment options within the same transactional moment. Sweden provides a particularly relevant empirical setting for examining these dynamics due to its highly digitalized payment landscape and widespread integration of both bank-based and non-bank digital payment solutions into everyday transactions. In such an environment, choices between the traditional bank-based and the newer non-bank digital payment options are part of routine consumer behaviour rather than emerging phenomena.

Against this backdrop, understanding how trust is constructed, differentiated, and prioritized across generational cohorts within real checkout situations becomes an important question for Information Systems research.

## 1.1 Problem

In contemporary digital payment environments, consumers are increasingly confronted with multiple payment options at the point of checkout, including both traditional bank-based options and non-bank payment options enabled by open banking. This means that both types of options now appear side by side at checkout in online and mobile transactions, with services such as Trustly and Klarna offered alongside card payments and Swish.

This diversity of payment options is particularly evident in Sweden, where the payments market is almost entirely digital and cash is used for only a small share of transactions, accounting for approximately one in ten purchases (Sveriges Riksbank, 2025). Consumers frequently encounter a range of alternatives, including card payments, mobile-based solutions such as Swish, and account-to-account payment initiation services provided by non-bank actors such as Trustly and others (Sveriges Riksbank, 2025; Finansinspektionen, 2023). As a result, users are regularly required to make choices between payment options that differ in terms of provider type, interface, and perceived trustworthiness.

Existing research has consistently identified trust as a key factor influencing the adoption and use of digital payment systems (Yacoubian, 2025; Beheri et al., 2025). Furthermore, prior studies highlight that trust perceptions vary across generational cohorts, with older users often

expressing greater concerns related to security and complexity, while younger users tend to demonstrate higher levels of digital familiarity and confidence (Spevak et al., 2025; Mahkota & Mulyono, 2025).

However, despite these insights, limited attention has been given to how generational differences shape trust in situations where consumers are faced with concrete payment choices involving both bank-based and non-bank payment provider options. Much of the existing literature treats trust as a generalized perception toward a system or provider, without examining how individuals from different generations interpret, compare, and prioritize trust across multiple options within the same checkout context. As a result, there remains insufficient understanding of how generational cohorts construct trust in real-time digital payment decisions.

## 1.2 Research Motivation

The identified research gap highlights the need for deeper qualitative insight into how trust is constructed within digital payment environments where multiple institutional actors coexist.

Research on digital payment systems outside the Nordic context finds that trust and security perceptions differ across demographic groups, with older consumers often requiring stronger assurances than younger users (Beheri et al., 2025). Industry reports from Nordic payment markets suggest that younger consumers are more willing to adopt new digital payment methods, whereas older consumers tend to prefer familiar and previously used payment options (Svea Bank, 2025). Taken together, these strands of research indicate that generational differences are consequential for how consumers engage with digital financial services, particularly in highly digitalised markets such as Sweden.

Yet, even where generational differences in attitudes toward digital payments are acknowledged, prior studies rarely explore how individuals from different cohorts explain and justify their trust when confronted with concrete payment choices at checkout. This study is therefore motivated by the need to better understand how generational cohorts in Sweden make sense of trust when interacting with digital payment options in real checkout situations. By focusing on how Baby Boomers, Generation X Millennials and Generation Z articulate their reasoning when choosing between payment alternatives, the study aims to provide richer qualitative insight into how trust is constructed and prioritized in contemporary digital payment ecosystems.

Practically, such insights may support banks, non-bank payment providers and policymakers by offering grounded evidence about how different generations think about and evaluate digital payment options, rather than relying on assumptions or guesswork. Although this study is small-scale and qualitative, its findings can provide a useful starting point for banks and non-bank payment providers who wish to explore generational trust in digital payments on a larger scale. By clarifying how different generations in Sweden construct and reason about trust when they choose between bank-based and non-bank payment options, the study can offer empirically grounded indications of where some groups may feel more or less confident using digital payment services. Organisations may draw on these qualitative patterns as one input when analysing where adoption or usage currently lags for particular generations and when reflecting on how their existing digital payment services are perceived.

### **1.3 Research Aim**

The aim of this study is to develop a deeper understanding of how trust is constructed and evaluated in digital payment environments, with a particular focus on how generational cohorts in Sweden interpret and compare trust toward bank-based and non-bank payment services during digital checkout situations.

### **1.4 Research Question**

The study is designed to answer the following research questions:

#### **Main Question**

RQ1: How do different generational cohorts in Sweden construct and compare trust toward bank-based and non-bank payment services during digital checkout situations?

#### **Supporting Question**

RQ2: How does the user's awareness of open banking behind non-bank payment services shape generational trust at digital checkout?

### **1.5 Delimitation**

Because this is on a smaller scale the findings are not intended to be generalised to the broader Swedish population. Instead, the study seeks analytical generalisation by using the results to refine and illustrate existing understandings of trust in digital payments at checkout within information systems research.

The analysis is further delimited to four generational cohorts (Baby Boomers (1946-1964), Generation X (1965-1980), Millennials (1981-1996) and Generation Z (1997-2012)), which are used to organise the findings by age group and also simplify how differently people within each cohort may think. Trust perceptions can also be influenced by factors such as digital literacy, education, socioeconomic background and prior experiences with financial institutions, but these are beyond the scope of this study and are not examined systematically here. As a result, age and generational cohorts cannot fully capture all possible individual differences.

Finally, the study relies on participant's self-reported accounts of their payment behaviour at digital checkout, which may not fully capture automatic or habit-based actions. This focus is deliberate, as the aim is to understand how users articulate credibility and risk when choosing between bank-based and non-bank payment options in open-banking-enabled digital payment environments.

## 2 Literature Review and Theoretical Framework

This chapter reviews prior research on digital payment ecosystems, open banking, trust in information systems and digital financial services, and generational differences in digital payment behaviour. It then outlines the theoretical framework used to analyse how different generations trust bank-based and non-bank payment options at digital checkout.

### 2.1 Digital Payment Ecosystems

Though once limited to traditional institutions, finance now flows across shared digital platforms, opening doors for users to transfer data safely via API links (Muthukannan et al., 2026; Mansour, 2026). However, prior research shows that these developments are embedded in broader institutional and organisational changes, rather than being driven by technology alone (Casolaro et al., 2025).

Digital payment ecosystems have evolved from cash-based and card-based transactions toward digitally mediated, platform-based finance, where banks and non-bank actors interact through shared infrastructures. Fintech firms are expanding their reach by building services on top of existing bank infrastructure (Arora et al., 2025). In the Swedish context, payments are now predominantly electronic, and national estimates indicate that third-party providers initiate between 100 and 150 million transactions per year, illustrating how embedded open-banking arrangements have become in everyday payment flows (Sveriges Riksbank, 2025; Finansinspektionen, 2023, cited in Mansour, 2025).

BankID is the dominant electronic identification system for everyday transactions in Sweden and is issued by banks but used far beyond financial services. This continues a longer pattern in which banks acted as primary “identifiers”, creating what Husz (2018) describes as a “financial identification society”. In our study, respondent’s trust in specific payment options at checkout was closely tied to their trust in this BankID infrastructure.

Because of this shift, shoppers increasingly meet both bank-based and non-bank payment options within the same digital checkout environment, a pattern examined further in Section 2.3. In such environments, multiple institutions can participate in a single transaction, making trust in digital payments an important concern. The key trust concepts relevant to this study are discussed in Section 2.4.

### 2.2 Data Access Regulation and Open Banking

The shared digital infrastructures described in Section 2.1 relies on formal rules that determine how customer’s account data and payment initiation can be accessed by different actors.

In this thesis, data access regulation refers to legal and regulatory frameworks, such as the European Union's Second Payment Services Directive (PSD2), that govern how banks must provide secure, standardised access to account information and payment initiation for authorised TPP (European Commission, 2019). Open banking describes the resulting arrangement in which customers can allow authorised TPP to access their account information or initiate payments on their behalf, based on explicit consent and typically enabled through standardised APIs (Mansour, 2026).

In this context, digital payment ecosystems have developed from closed banking arrangements toward data-sharing financial ecosystems in which authorised TPPs can connect to bank accounts through regulated interfaces (Mansour, 2026). The literature describes this development as being shaped not only by technological change but also by ongoing negotiations among banks, fintech firms and regulators over access, control and value creation (Casolaro et al., 2025; Muthukannan et al., 2026). In this environment, payment innovation is presented not only as a technical issue, but also as a governance issue because the design of APIs, access rules and compliance procedures affects how easily third parties can build services on top of bank infrastructure (Casolaro et al., 2025).

Linked to PSD2, these arrangements allow authorised external firms to deliver payment solutions directly to users, broadening non-bank involvement in digital finance (Mansour, 2025). Because of such policy changes, services like payment initiation can now function via open-banking platforms instead of relying solely on traditional closed networks (Muthukannan et al., 2026). Still, access to customer account data for third-party providers remains limited due to strict licensing rules, inconsistent API performance and pushback from established institutions, indicating that while regulations open doors, they do not remove systemic hurdles entirely (Mansour, 2026; Muthukannan et al., 2026).

The regulatory environment is also relevant for trust because it introduces institutional safeguards into the payment ecosystem. Consumers may hesitate to consent to data sharing with unfamiliar fintechs because banking is a trust-sensitive context and data exposure raises security concerns (Mansour, 2026). Privacy protection remains central in digital banking because confidence is harder to build when users feel that personal financial information may not be adequately safeguarded (Vasudhevan and Vasuki, 2025). Open banking is also associated with regulation, consumer protection, data privacy, interoperability and consumer autonomy, all of which shape trust formation (Chan et al., 2022). These regulatory safeguards and governance choices form part of the institutional backdrop for trust in digital financial services, which is discussed in more detail in Section 2.4.

Open banking, when viewed more widely, brings opportunities alongside lingering challenges. Competition might grow, and so might innovation and reach into finance, for instance through stronger user control over how personal information moves (Mansour, 2026). At the same time, open-banking initiatives operate in different regulatory and technical environments. Differenceness in regulatory approaches, API standards and supervisory practices across countries can make implementation harder and reduce how much benefits such as greater competition and innovation are realised in practice (Casolaro et al., 2025). Rather than presenting change in open banking as a matter of improved technology alone, research shows that developments in this area are also shaped by changes in platform governance, regulatory oversight and the organisational relationships between banks and third-party providers (Muthukannan et al., 2026; Mansour, 2026).

Because of this regulatory context, how people choose between bank-based and non-bank payment methods at checkout becomes especially important. Next section 2.3 examines how these options appear side by side at digital checkout, while Section 2.4 returns to the institutional aspects when discussing trust in digital financial services.

## **2.3 Bank-based and Non-bank Payment Options at Checkout**

Open banking rules now require established banks to share access to their data and tools with outside firms, reshaping how digital platforms are managed (Muthukannan et al., 2026). Because of these changes, Muthukannan et al. (2026) argue that payment systems once locked within single institutions now function as orchestrated platforms where external players interact with legacy banking setups.

Furthermore, the broader context of online shopping requires consumers to interact with these digital interfaces and integrated models to successfully complete their electronic commerce transactions (Gefen et al., 2003). In order to complete online purchases, individuals must rely on online firms to process their orders and handle sensitive personal and financial information, and Bhattacharjee (2002) shows that such e-commerce relationships are marked by uncertainty and vulnerability that make trust a key facilitator of exchange. Since open banking enables TPPs to integrate directly with banking data, this checkout phase now presents payment solutions that are initiated by non-bank actors but fundamentally rely on underlying bank structures (Muthukannan et al., 2026).

Navigating these bank-based and non-bank payment options is shaped by the institutional and interorganizational structures that govern online marketplaces, such as the rules and safeguards that coordinate exchanges between different actors (Pavlou, 2002). In many markets, digital payment platforms and other FinTech services now coexist with traditional banking services within a shared payment ecosystem, broadening how financial services are delivered and challenging incumbent bank's roles (Arora et al., 2025). At digital checkouts, these arrangements materialise as interfaces where multiple bank-based and non-bank options are presented side by side and users must decide which services to rely on. In such settings, user's behavior is shaped not by a single trust relationship but by a network of distinct trust targets, including trust in the system, in the provider, in the Internet environment, and in other actors, all of which matter for information systems use (Söllner et al., 2016).

## **2.4 The Concept of Trust in Digital Financial Services**

In online and technology-mediated services, users interact with remote systems under conditions of uncertainty and limited control, and cannot directly observe all steps in a transaction. As a result, trust in providers and systems becomes critical to reduce perceived risk and support their intention to use these services (Pavlou, 2003). Building on this logic in the context of open banking, Chan et al. (2022) show that initial trust driven by factors such as firm reputation, structural assurance, and trust propensity reduces perceived risk and shapes perceived usefulness and ease of use, thereby encouraging adoption of digital financial services.

Given this central role of trust for digital financial services, information systems research has devoted considerable effort to defining and operationalising trust as a multidimensional

construct rather than a single, general feeling (Bhattacharjee, 2002; McKnight & Chervany, 2001). Common distinctions include trust in specific providers versus institution-based or system-level trust, and the separation between trusting beliefs about competence, benevolence and integrity and trusting intentions such as a willingness to depend on another party in situations involving risk and uncertainty (McKnight & Chervany, 2001; Pavlou, 2003). This separation is especially relevant for financial services because users form views both about particular banks or payment companies and about the institutional and technical environment in which online exchanges take place.

#### *2.4.1 Trust in General and in Information Systems*

Trust has received particular attention in research on risk and transactions because it becomes important when one party depends on another and is willing to be vulnerable under conditions of uncertainty and limited control (Mayer et al., 1995), a logic that has been applied to consumer e-commerce and online transactions more broadly (Pavlou, 2003). In marketing and channel research, trust has likewise been treated as a key condition for developing exchange relationships in situations marked by uncertainty and mutual dependence (Dwyer et al., 1987), and studies of interorganizational partnerships show that trust supports cooperation when actors rely on each other over time and cannot fully control outcomes (Anderson & Narus, 1990). Because e-commerce and other computer-mediated settings give consumers little opportunity to inspect goods or interact with providers face-to-face, this combination of dependence, risk and limited control makes trust especially important in socially distant, virtual relationships (McKnight & Chervany, 2001). Trust also shapes long-term orientation because people become more willing to rely on another party when they believe future interactions will remain stable and beneficial (Ganesan, 1994).

In contemporary digital contexts, these general insights about trust in risky, interdependent relationships extend to technology-mediated interactions. Though separated by space and lacking personal contact, people rely on trust when using digital platforms where knowledge about others remains partial (McKnight & Chervany, 2001; Pavlou, 2003). Because uncertainty looms large in these settings, consumer's intentions to engage in online transactions depend not only on perceived usefulness and ease of use, but also on their trust in the online vendor and the surrounding transaction environment (Gefen et al., 2003). This becomes particularly important where information asymmetry exists, since one party often lacks the knowledge needed to fully evaluate the reliability of the other (Mishra et al., 1998)

Building on this work, one major distinction in trust research separates confidence in specific entities from institution-based trust or faith in the structures and systems within which exchanges occur (McKnight & Chervany, 2001). This broader view is consistent with relationship marketing research, which presents trust as a core mechanism in the development and maintenance of exchange relationships and highlights trustworthiness as a valuable organisational resource because others are more willing to accept vulnerability (Morgan & Hunt, 1994; Barney & Hansen, 1994). Institutional research similarly suggests that trust can arise from formal arrangements and socially established expectations rather than from direct personal familiarity alone (Zucker, 1986). In digital contexts, this implies that users may base their trust as much on the institutional arrangements surrounding an interaction as on their direct experience with any single provider.

First impressions and early beliefs also play a crucial role in shaping confidence in digital financial services, especially when people are evaluating new tools such as mobile banking

offered by banks and telecom providers, where perceived benefits and structural assurances strongly influence initial trust and usage intentions (Kim et al., 2009). In such settings, individuals rely not only on assessments of specific providers but also on institution-based trust, that is, beliefs about structural assurances such as safeguards, guarantees and oversight that support the online transaction environment (McKnight & Chervany, 2001).

#### *2.4.2 Trust in Digital Payments and Open Banking*

Drawing on Pavlou's analysis of trust and risk in e-commerce, at the point of digital checkout users often face uncertainty about how transaction and personal information will be handled, and trust helps reduce hesitation in these situations (Pavlou, 2003). Because payment instructions and account details are processed by remote systems rather than in face-to-face interactions, confidence in the digital payment platform and its intermediaries becomes a central reference point for user's decisions to proceed. In open banking and similar arrangements, this includes trusting not only the bank or non-bank provider present at digital checkout, but also the institutional and technical infrastructure such as regulations, policies, and API-based arrangements through which payment authorisations and data flows are managed (Chan et al., 2022).

Prior research on digital and mobile banking shows that trust in payment services depends both on how risky they are and how useful and easy they appear to use. Luo et al. (2010), for example, finds that multiple forms of perceived risk, including security and privacy concerns, influence adoption of mobile banking, while Kim et al. (2009) and Zhou (2011) highlight how structural assurances, perceived benefits and ease of use shape initial trust and intention to use mobile or online banking services. Recent digital banking research also suggests that willingness to use such services is strongly influenced by ease of use and habitual usage, while perceived risk and perceived trust may play a more limited role (Putri et al., 2025). These studies suggest that, particularly when users have little prior experience, early confidence in digital payment channels relies heavily on perceived safety, institutional assurances and convenience rather than on long histories with specific firms.

Beyond the immediate decision to complete a single transaction, open banking extends these dynamics to a broader ecosystem in which data-sharing and APIs connect banks, TPP's and users, including the digital payment options that appear at checkout. Chan et al. (2022) show that performance expectancy, effort expectancy and social influence all contribute to usage intentions for open banking, and that initial trust both reduces perceived risk and reinforces perceived usefulness and ease of use. In this context, hesitation often arises when individuals are asked to consent to sharing sensitive financial data with unfamiliar digital finance firms, and trust becomes crucial in managing fears about misuse or data breaches.

Trust in open banking and digital payments is shaped not only by what people think about individual providers, but also by how much they trust the wider legal, regulatory and technical protections, such as guarantees and other safeguards (McKnight & Chervany, 2001). Yet much of the recent literature still treats digital payment systems as unified entities, without distinguishing clearly between bank-based and non-bank providers. As a result, existing work sheds more light on overall trust in digital banking and electronic payment systems than on how users assess the reliability of bank-based versus non-bank payment options when these are presented side by side at checkout.



## **2.5 Generational Differences in Digital Trust and Payment Behaviour**

Recent studies on digital banking show that age-related differences, digital literacy and user experience all influence how customers access and use online and mobile banking services (Mahkota & Mulyono, 2025; Spevak et al., 2025). Research also indicates that demographic factors such as age shape how complex, risky and trustworthy digital payment systems appear, with elderly users in particular often needing additional support and digital literacy measures to feel confident using these services (Beheri et al., 2025; Yacoubian, 2025). At the same time, most existing work examines these differences at a general level of adoption and use, rather than in specific situations where users choose between bank-based and non-bank payment options at checkout, which is the focus of this study.

### ***2.5.1 Generational Cohorts and Digital Financial Behaviour***

Age-related differences in digital financial behaviour can be traced back to how people first encountered banking channels and technologies over time. Early experiences with particular channels, such as physical branches, ATMs or mobile apps, help explain why some groups see digital tools as add-ons to existing routines, whereas others treat them as the default way to manage money (Mahkota & Mulyono, 2025).

Mahkota and Mulyono (2025) emphasise that digital transformation in banking depends not only on the availability of new channels but also on customer's digital literacy, and they note that mobile banking has become especially attractive to younger "digital native" users and smartphone owners. This suggests that younger users, who have grown up with widespread internet access and smartphones, are more likely to integrate online and mobile banking into everyday financial routines, using apps for transactions that older users may still prefer to handle in branches or through more familiar channels (Mahkota & Mulyono, 2025).

In contrast, qualitative work on older customers shows that some elderly users feel disadvantaged when traditional branch contact is replaced by self-service devices and online or mobile banking, and may experience uncertainty or a lack of personal support when interacting with digital channels (Spevak et al., 2025). These differing trajectories mean that what feels "normal" in everyday financial behaviour can diverge across age groups. For younger users, checking balances, transferring funds or paying bills via mobile apps may be routine, reflecting the greater appeal of mobile banking among digitally literate customers (Mahkota & Mulyono, 2025). For some older users, similar activities may still be more closely associated with familiar, non-digital routines and human assistance, which can make shifts toward self-service and online platforms feel less familiar or more risky (Spevak et al., 2025).

Such differences in habits and channel exposure provide important context for this study, since they influence which payment options feel familiar and trustworthy when bank-based and non-bank digital payment services are presented side by side at checkout.

### ***2.5.2 Generational Patterns of Trust and Perceived Risk***

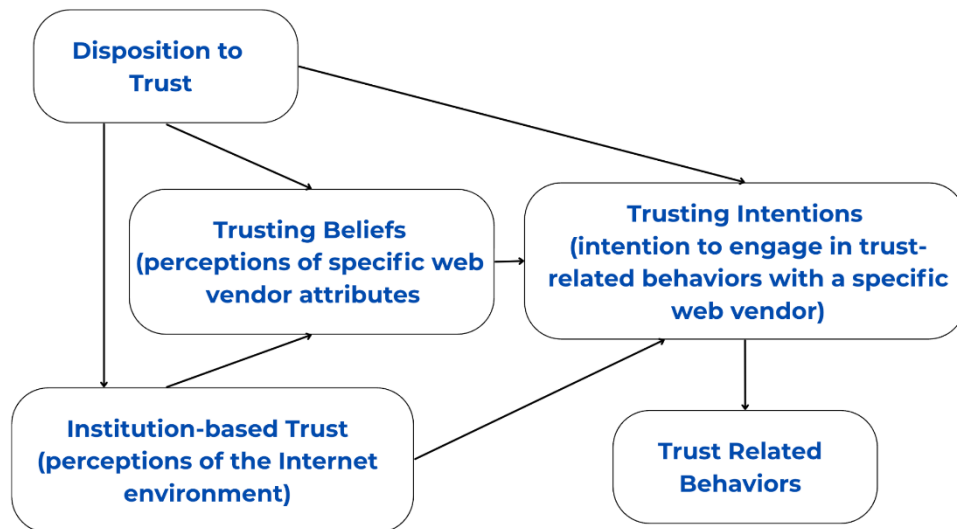
Trust plays a central role in the adoption and continued use of digital payment tools, but its expression shifts across age groups (Beheri et al., 2025). Older adults in digital banking

contexts can feel disadvantaged when branch contact is replaced by self-service devices and online or mobile banking, and may experience uncertainty, mistrust and a heightened fear of digital identity fraud, which in turn can lead to avoidance of modern banking technologies (Spevak et al., 2025). By contrast, younger individuals tend to show higher adaptability and comfort when engaging with new financial technology solutions, and are more open to using digital payment services (Beheri et al., 2025).

Trust in digital banking is widely recognised as a critical enabler of digital financial inclusion, shaping whether users adopt and continue to use mobile and online banking services (Yacoubian, 2025). Studies on digital payments also indicate that trust and perceived risk can vary across demographic groups, with older users often requiring stronger assurances than younger users (Beheri et al., 2025; Spevak et al., 2025). However, much of this work examines trust at the level of overall acceptance of “digital banking” or “digital payments” and treats payment systems as if they were single, unified services, rather than distinguishing between specific providers or institutional roles (Beheri et al., 2025). As a result, existing studies show that generations differ in how confident or worried they feel about digital financial services, but say little about how users from different cohorts articulate and compare their trust when they must choose between bank-based and non-bank payment options during concrete checkout situations.

## 2.6 Conceptual Lens: McKnight’s Web Trust Model

The internet has revolutionized the nature of online transactions and the options available to the customers to make digital payments. Technology acceptance research has shown that trust is an important factor fostering the use of information systems, leading many IS studies to examine how trust is formed in online and mobile contexts (Söllner et al., 2016). A recent meta-analysis by Handoyo (2024) shows that trust, perceived risk and perceived security are central drivers of online purchasing behaviour and continued use of e-commerce services. Prior IS studies show that higher trust reduces perceived risk and uncertainty in online transactions (Gefen et al., 2003) and in mobile banking (Kim et al., 2009). In the specific context of mobile banking, Kim et al. (2009) examine four antecedents: structural assurances, relative benefits, personal propensity to trust and firm reputation that shapes consumer’s initial trust and usage intentions. Their findings indicate that structural assurances, relative benefits, and personal propensity to trust significantly influence initial trust, while initial trust in turn shapes intention to use mobile banking. In order to judge whether the consumers feel safe or comfortable is to think how they perceive trust vendors are familiar or un-familiar. Some might be weary of how their information gets stored or their data collected by the vendors. More broadly, these findings underline that adoption decisions depend not only on perceptions of usefulness or ease of use, but also on whether consumers perceive sufficient security, protection and institutional safeguards when transacting with familiar and unfamiliar vendors (for example, guarantees, protection of personal information and clear policies on customer protection) (McKnight et al., 2002; Kim et al., 2009). Subsequent IS studies on online shopping and mobile banking draw on similar constructs, showing that dispositional tendencies, perceptions of institutional safeguards and risk, and belief-level evaluations of specific providers are all relevant for understanding trust in digital financial services. Against this background, McKnight et al.’s multi-dimensional model offers a comprehensive starting point for analysing trust in digital payment situations in this thesis (McKnight et al., 2002).



**Figure 2.1** - The Web-Trust Model Proposed by McKnight et al. adapted from McKnight et al. (2002)'s model

McKnight et al. 's (2002) model, as shown above, integrates several previously separate strands of trust research into a coherent set of constructs and sub-constructs. It distinguishes four main components: disposition to trust, institution-based trust, trusting beliefs, and trusting intentions. We will discuss each of these below:

**Disposition to trust:** According to McKnight et al. (2002), the first construct 'Disposition to trust' captures traits-like tendencies to see others as trustworthy. It has two facets:

- Faith in humanity: It captures an individual's general belief that others are competent, benevolent and have integrity. It reflects how one perceives others on average, for example, the belief that "most people are trustworthy" or "most firms are honest." This concept is primarily cognitive and evaluative in nature, as it represents an underlying belief that others possess benevolent and honest qualities.
- Trusting stance: It refers to a personal strategy or deliberate choice to give others the benefit of the doubt by trusting them until they prove otherwise. It reflects a more pragmatic approach; regardless of others' attributes, better outcomes can be achieved by treating them as well-meaning and reliable. For example, "It is better to trust people until they give me a reason not to."

So, if we simplify this, it translates to:

Faith in humanity = "I believe most others are trustworthy."

Trusting stance = "I choose to trust first and see what happens."

In this thesis, disposition to trust is acknowledged as a background antecedent but it is not measured or coded, because the analysis focuses on situational trusting beliefs and perceived security in specific payment contexts rather than on personality differences across individuals.

**Institution-based trust:** McKnight et al. (2002) defines institution-based trust as the second construct that captures beliefs about the trustworthiness of the broader environment in which

online transactions take place, rather than about specific vendors. Institution based trust is further conceptually divided into situational normality and structural assurance, but operationalised through five subconstructs:

- **Situational Normality:** It refers to an environment that seems familiar, ordered, appropriate for doing an activity. It has 4 facets: a general belief that the online environment is well ordered and appropriate for transacting, plus specific beliefs that vendors in this environment are generally competent, benevolent and have integrity. For example, a checkout that looks professional, consistent with what people expect from “serious” banking or payment pages, not chaotic or “shady”.
- **Structural Assurance:** It reflects the belief that safeguards an environment like regulations, legal protections, and security mechanisms that are in place to protect the users from potential risks. For example, knowing that the bank or law will refund fraud, buyer protection, or clear liability rules.

In short, it will translate to:

Situational normality = “This environment feels normal and trustworthy.”

Structural assurance = “There are concrete rules and protections that will catch me if something goes wrong.”

This thesis will focus primarily on structural assurance and, to a lesser extent, on general situational normality from McKnight et al. (2002)'s institution-based trust. The more specific situational normality facets (benevolence, integrity, competence) are instead captured at the level of trusting beliefs (discussed in the section below in detail) about particular providers (banks and non-bank payment companies).

**Trusting beliefs:** In McKnight et al. (2002) model, this construct captures consumer's beliefs about the trustworthiness of a specific vendor or provider. It is captured through 3 sub-constructs: competence, benevolence and integrity. Competence is a belief that a specific vendor, in this thesis typically a bank or non-bank payment service provider, could be a bank or non-bank payment service provider, has the ability and skills to do so in meeting customer's needs. Benevolence is the belief that the vendor cares about the consumer's interest and is motivated to act in a way that will benefit, or at least do no harm to the consumer. Integrity refers to the belief that the provider is honest, transparent and will keep its promises and adheres to acceptable principles, for example by being transparent about terms and fees.

So trusting beliefs in simple terms can translate to:

Trusting beliefs = “My bank is competent.”

Trusting beliefs = “Klarna is helpful when something goes wrong.”

Trusting beliefs = “This app is honest about fees.”

In this thesis, we will work on this third construct, trusting beliefs (what people think about specific banks and payment companies), plus a simplified version of the second (how safe/protected the payment environment feels).

**Trusting intentions:** McKnight et al. (2002) conceptualise trusting intentions as a consumer's secure willingness or intention to depend on a specific vendor. The construct has two sub-constructs:

- **Willingness to depend:** Willingness to depend refers to a broad attitude-like readiness to make oneself vulnerable to the vendor in an overall sense (for example, "I would feel comfortable relying on this site," "I can count on them in a tough situation").
- **Subjective probability of depending:** This is more behavior specific and is linked to likelihood of engaging in specific risky behaviours. There are 3 sub-constructs to measure the subjective probability of spending that corresponds to 3 behaviors:
  - giving personal information,
  - making a purchase,
  - acting on vendor advice

So an example could be like: "I would probably give this site my personal information," "I would probably buy from this site," or "I would probably follow its advice."

Trusting intentions are retained as part of the underlying McKnight et al.'s (2002) model but are not operationalised as a separate construct in this study, because the interview guide does not elicit graded likelihoods of engaging in specific trust-related behaviours (such as sharing data or completing a purchase) and instead focuses on how participants describe their beliefs about competence, benevolence, integrity and security when choosing between payment options at checkout.

Having outlined McKnight et al.'s (2002) four trust constructs (disposition to trust, institution-based trust, trusting beliefs, and trusting intentions), Table 2.1 summarises the level, core meaning, sub-constructs, and analytical role of each construct in this study.

**Table 2.1:** Overview of Trust Constructs in the Web-Trust Model and Their Analytical Role in this Thesis

| Construct            | Level/Focus        | Core Meaning                                                                                                  | Sub-Construct                                                               | Role in thesis                                                                                                                             |
|----------------------|--------------------|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Disposition to trust | Person-level trait | General inclination to be willing to depend on others across situations (faith in humanity, trusting stance). | Faith in humanity (competence, benevolence, integrity) and trusting stance. | Used only as background. Our interviews do not ask about general tendency to trust across contexts, so it is not operationalised or coded. |

|                         |                                            |                                                                                                      |                                                                                                                                                                  |                                                                                                                                                                                                                                                          |
|-------------------------|--------------------------------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Institution-based trust | Environment/system (not a single provider) | Beliefs that the wider environment has structures, rules and protections that make interaction safe. | Structural assurance and situational normality (general, competence, benevolence, integrity).                                                                    | Used in a simplified form as perceptions of overall security, risk and protection in digital payments and banking (our “security/protection” strand).                                                                                                    |
| Trusting beliefs        | Specific provider (bank or non-bank)       | Beliefs that a particular provider has trustworthy attributes.                                       | Competence (ability), benevolence/goodwill (caring, support), integrity (honesty, promise-keeping, transparency).                                                | Central analytical focus. Theme 3 questions about knowing what they are doing, being on our side, and clarity about fees/data directly tap competence, benevolence/goodwill/support, and integrity/honesty/transparency for banks vs non-bank providers. |
| Trusting intentions     | Behaviour toward a specific provider       | Intention or secure willingness to engage in trust-related behaviours with that provider.            | Willingness to depend (general readiness to be vulnerable) and subjective probability of depending (likelihood of providing data, purchasing, following advice). | Kept as background theory only. Our interviews do not draw the likelihoods of sharing data, completing purchases or following advice, so trusting intentions are not coded as separate categories.                                                       |

### 2.6.1 Selection of constructs for this study

In this thesis, the main analytical focus lies on trusting beliefs and a simplified institution-based trust strand, because this aligns with the research questions, which concern how different generations describe trusting or distrusting concrete payment options at checkout rather than their overall trustful personality or their precise intention to use each service. Competence, benevolence or goodwill, and integrity capture how participants talk about whether individual providers “know what they are doing”, “are on my side”, and “are honest and transparent”, while the security and protection strand of institution-based trust reflects their perceptions of the wider digital payments environment as more or less safe, regulated and well protected. These constructs therefore provide a suitable lens for analysing how Baby Boomers, Generation X, Millennials and Generation Z compare bank-based and non-bank payment

options (RQ1) and which dimensions of trust they emphasise when explaining their preferences (RQ2).

**Table 2.2:** Constructs and Sub-Construct operationalised for this thesis

| Constructs              | Sub-Constructs we effectively use                                                         |
|-------------------------|-------------------------------------------------------------------------------------------|
| Disposition to trust    | Not operationalised.                                                                      |
| Institution-based trust | Structural assurance / situational normality collapsed into a security/protection strand. |
| Trusting beliefs        | Competence, benevolence/goodwill/support, integrity/honesty/transparency.                 |
| Trusting intentions     | Willingness to depend; subjective probability of depending (kept as theory, not coded).   |

Table 2.2 summarises which sub-constructs are effectively operationalised in our coding and analysis, reinforcing that this thesis employs a selective application of the Web-Trust Model.

Disposition to trust and trusting intentions remain part of McKnight et al.'s (2002) broader theoretical model, but they are not operationalised as separate coding categories in this study. The interview guide does not include direct questions about trait-like trust propensity or about graded likelihoods of completing transactions, sharing data or following advice, and our qualitative, abductive design prioritises how participants articulate perceived safeguards and provider qualities over modelling behavioural intentions as a distinct construct.

## 3 Methodology

This chapter outlines how the study is designed to answer the research questions. It presents the underlying research philosophy and approach, explains the chosen data collection and analysis methods, and discusses ethical considerations and strategies for ensuring the scientific quality of the study..

### 3.1 Research Philosophy

This project aims to develop an in-depth understanding of how different generational cohorts in Sweden make sense of and justify their trust when they encounter competing payment options (such as traditional bank based card payments and non-bank or open banking payment initiators) in concrete checkout situations. Because the focus lies on interpretations, meanings and lived experiences rather than on measuring predefined variables, an interpretivist research philosophy is adopted. In this perspective, trust in digital banking or payment services is not treated as a fixed property of technology, but as something that is constructed and negotiated by consumers as they draw on prior experiences, social norms and perceptions of risk and security in specific situations.

Interpretivism assumes that knowledge about the world is acquired through social constructions such as language, consciousness and shared meanings (Cardoso & Ramos, 2012). Accordingly, this study seeks to “see the world through the eyes” of Baby Boomers, Generation X, Millennials and Generation Z and to generate rich, contextual accounts of how they talk about and differentiate trust when choosing between payment options at checkout. Within Information Systems research, interpretivism has emerged as an important approach for understanding how people interpret and enact information technology in organizational settings (Walsham, 1995). Orlikowski and Baroudi (1991) describe interpretive studies as focusing on how individuals create and associate subjective meanings through their interactions with the social world. Goldkuhl (2012) similarly contrasts interpretivism with pragmatism in IS, arguing that interpretive research mainly seeks to understand context specific meanings, whereas pragmatism focuses on producing constructive knowledge for action. In line with this, the present study prioritizes an interpretive goal of understanding how trust is formed, maintained or eroded in everyday payment decisions, and how these processes may vary across generational cohorts, using qualitative interviews and inductive analysis to produce thick descriptions and emergent themes.

The study also aims to be useful in practice by providing insights that can help banks, and non-bank providers to design payment journeys that people in different age groups perceive as trustworthy and appealing. This practical aim complements, rather than replaces, the interpretive focus on how generations make sense of trust. But this practical focus does not replace interpretivism as the main lens; it only shapes how the understanding of how different generations make sense of trust is turned into practical suggestions.



## 3.2 Research Approach

This study adopted a qualitative, interpretive research approach using abductive reasoning. A qualitative, interpretivist design was appropriate because the focus was on understanding how different generational cohorts made sense of and compared trust in bank-based and non-bank digital payment services in their own terms, rather than on testing predefined hypotheses or measuring predefined variables quantitatively (Saunders et al., 2019). Abduction was appropriate because the study started from selected constructs in McKnight et al.'s (2002) trust model, while remaining open to how generational cohorts actually described and made sense of trust in these payment options. Rather than following a purely deductive strategy of testing this model or a purely inductive strategy of building concepts only from data, the analysis moved back and forth between participants' accounts and these sensitising constructs, using them to help interpret surprising or generationally specific patterns in the material. In line with an interpretivist stance, the overall aim was to develop a nuanced, empirically grounded understanding of how members of different generations constructed and justified trust at checkout, drawing on both the empirical accounts and the trust model when presenting and discussing the findings.

## 3.3 Data Collection Methods

The study used semi-structured interviews as the primary data collection method. Semi-structured interviews were guided by a predefined set of questions but allowed flexibility in wording, order and follow-up, which made them well suited to collecting open-ended data and exploring participant's experiences, thoughts and beliefs in depth (Merriam and Tisdell, 2015; DeJonckheere and Vaughn, 2019). This format allowed the interviewer to ask comparable questions across participants while still following up on individual stories and clarifying meanings, rather than only recording what people do.

The semi-structured interview design was organised around four themes derived directly from the research questions. The first theme explored participant's everyday payment practices and preferences, providing context for how different generations typically navigated digital checkout situations (RQ1). The second theme examined participant's awareness and understanding of non-bank payment companies and open banking, including how they imagined payment flows and how comfortable they felt with third-party access to their accounts and data (RQ2). The third theme focused on choices at checkout and what made different options feel more or less trustworthy, for example when participants compared paying by bank-based options such as cards or Swish with using services such as Trustly or Klarna, and here the questions drew on dimensions identified in prior research such as security, institutional credibility, transparency, perceived risk and usability (Yacoubian, 2025; Beheri et al., 2025) (RQ1). The fourth theme invited participants to summarise and compare how they saw and trusted bank-based payment options versus options from other companies, and to reflect on any trade-offs and generational similarities or differences they perceived (RQ1 & RQ2).

To encourage reflections grounded in real experiences, the interviews incorporated concrete scenarios, for example choosing between paying with a bank card or Swish, or using a service such as Trustly or Klarna during an online purchase. These examples helped participants describe how they actually reasoned during payment decisions rather than providing abstract opinions (Spevak et al., 2025). By eliciting narratives about real checkout situations, the

interviews aimed to capture how trust was constructed and prioritised when consumers actively chose between payment alternatives.

### 3.3.1 Development of the interview guide

The semi-structured interview guide was developed in line with our study’s abductive, interpretive approach by combining broad trust dimensions from prior research on digital financial services with core constructs from McKnight et al.’s (2002) trust model, including institutional safeguards, rules and protections and perceptions of provider competence, reliability, honesty and care. Questions were designed to draw participant’s experiences and reasoning about institutional safeguards, rules and protections (institution-based trust) as well as their perceptions of provider competence, reliability, honesty and care (trusting beliefs) when choosing between bank-based and non-bank payment options in concrete checkout situations. Following Myers and Newman’s characterisation of unstructured or semi-structured interviews as involving an “incomplete script” that combines prepared questions with improvisation and follow-up, the guide was organised around broad themes rather than a fixed questionnaire, allowing the interviewer to adapt wording, order and probes to each participant while retaining comparability across interviews (Myers & Newman, 2007). In line with this, these theoretical elements were translated into everyday language and embedded in realistic payment scenarios, so that participants could talk about their trust judgments in relation to specific choices between payment alternatives rather than only providing abstract opinions.

The interviews were conducted primarily in English, either face to face or online via video tools, and usually lasted between 35 minutes and 1 hour. One Baby Boomer interview was carried out in Urdu, then translated into English with the assistance of an AI tool and checked for accuracy, and another Baby Boomer interview was conducted mainly in English with ad-hoc interpretation support between Swedish and English from a third person present during the session. With participant’s prior consent, all interviews were audio-recorded, and verbatim English transcripts formed the basis for the subsequent analysis.

Table 3.1 summarises how the four interview guide themes link to the main research question (RQ1) and the supporting question (RQ2), and how each theme is intended to elicit the two Web-Trust constructs used in this thesis.

**Table 3.1:** Interview guide themes, research questions and McKnight’s Trust constructs used in the thesis.

| Interview Guide Theme                                                   | Link to RQ1/RQ2                                                            | Link to McKnight’s Model                                      |
|-------------------------------------------------------------------------|----------------------------------------------------------------------------|---------------------------------------------------------------|
| Theme 1 - Everyday payment habits                                       | RQ1 (background): everyday methods by cohort                               | Background for later trusting beliefs and institutional trust |
| Theme 2 - Awareness of other payment companies (including open banking) | RQ2 (core), RQ1 (secondary): awareness of open banking and actors involved | Mainly institution-based trust (security and protection)      |

|                                                                        |                                                               |                                            |
|------------------------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------|
| Theme 3 - Choices at check-out and what makes options feel trustworthy | RQ1 (core), RQ2 (indirect): checkout trust reasoning          | Trusting beliefs + institution-based trust |
| Theme 4 - Wrap-up comparison and trade-offs                            | RQ1 (core), RQ2 (secondary): overall comparisons and criteria | Trusting beliefs + institution-based trust |

The next section explains how participants were selected to ensure that all four generational cohorts relevant to the study's aims are represented in the interviews.

### 3.3.2 Sampling strategy and participants

The study uses a purposeful sampling strategy to recruit participants who belong to the relevant generational cohorts and have direct experience with digital payments in Sweden. As Recker (2013) notes, sampling in qualitative Information Systems research is typically non-probabilistic; rather than aiming for statistical generalisation, the objective is to strategically select information-rich cases that allow researchers to explore a specific phenomenon in depth. Guided by this principle, the four age groups targeted for this study are: Baby Boomers (born 1946-1964), Generation X (born 1965-1980), Millennials (born 1981-1996), and Generation Z (born 1997-2012). Participants were required to live or work in Sweden and to have experience using digital payment methods for online purchases. This included a requirement of at least occasional exposure to non-bank payment options (such as Klarna or Trustly) alongside traditional bank card or Swish payments. Finally, participants were recruited through a public LinkedIn post and targeted personal contacts, ensuring that all four cohorts were represented by individuals with recent, concrete experience of digital checkout situations.

**Table 3.2:** List of Respondents

| Respondent   | Role                              | Language | Duration | Date       | Medium |
|--------------|-----------------------------------|----------|----------|------------|--------|
| Respondent 1 | Business Analyst (M) (Millennial) | English  | 40 min   | 14/04/2026 | Zoom   |
| Respondent 2 | Researcher (F) (Millennial)       | English  | 38 min   | 17/04/2026 | Zoom   |
| Respondent 3 | Student-Masters (M) (Gen Z)       | English  | 38 min   | 20/04/2026 | Zoom   |

|                    |                                  |                                      |           |            |                     |
|--------------------|----------------------------------|--------------------------------------|-----------|------------|---------------------|
| Respond-<br>ent 4  | Student-Masters<br>(M) (Gen Z)   | English                              | 34<br>min | 22/04/2026 | Zoom                |
| Respond-<br>ent 5  | Consultant (M)<br>(Gen X)        | English                              | 30<br>min | 23/04/2026 | Zoom                |
| Respond-<br>ent 6  | Student-Masters<br>(M) (Gen Z)   | English                              | 34<br>min | 24/04/2026 | Zoom                |
| Respond-<br>ent 7  | Researcher (F) (Mil-<br>lennial) | English                              | 40<br>min | 28/04/2026 | Zoom                |
| Respond-<br>ent 8  | Retired (M)<br>(Baby Boomer)     | English                              | 45<br>min | 28/04/2026 | Zoom                |
| Respond-<br>ent 9  | Consultant (M)<br>(Gen X)        | English                              | 42<br>min | 28/04/2026 | Zoom                |
| Respond-<br>ent 10 | Consultant (M)<br>(Gen X)        | English                              | 34<br>min | 29/04/2026 | Zoom + In<br>Person |
| Respond-<br>ent 11 | Retired (F)<br>(Baby Boomer)     | English (Translated<br>from Swedish) | 40<br>min | 30/04/2026 | Zoom + In<br>Person |
| Respond-<br>ent 12 | Retired (M)<br>(Baby Boomer)     | English (Translated<br>from Urdu)    | 42<br>min | 30/04/2026 | Zoom + In<br>Person |

### 3.4 Data Analysis Method

The analysis of the interview data followed Braun and Clarke's (2006) six-phase approach to thematic analysis, applied with an abductive, interpretive orientation. First, the data were familiarised by transcribing the interviews and reading the transcripts several times, while noting initial impressions, striking comments and early ideas about trust and payment choices. This familiarisation step ensured that participants' voices and contexts were understood before any formal coding began. Second, initial codes were generated across the dataset to capture meaningful features related to trust perceptions, generational differences and attitudes

towards bank-based versus FinTech payment options. Coding was mainly inductive, allowing labels and categories to emerge from the data, but it was also guided by the research questions and existing literature on trust in information systems and digital payments.

While the thematic analysis was primarily inductive, McKnight et al.'s (2002) model of trust in electronic commerce provided an important sensitising framework for interpreting the interview data. In practice, this meant that, alongside data-driven codes, we paid particular attention to segments where participants talked about institutional safeguards and rules (institution-based trust) and where they described providers as competent, honest or caring (trusting beliefs). During theme development, these constructs helped us organise participants' accounts of trust toward banks and non-bank providers without forcing them into predefined categories, supporting an abductive, interpretive use of thematic analysis that remained grounded in participants' own meanings.

Third, these codes were examined and compared to generate candidate themes that represented recurring patterns or important contrasts within and across interviews. At this stage, similar codes were grouped together, and less informative codes were sometimes merged or removed. As a fourth step, using Braun and Clarke's (2006) approach, the candidate themes were reviewed against the original transcripts and the initial codes to check whether they accurately reflected the data. This involved re-reading extracts for each theme, ensuring that they formed a coherent story and that key aspects of the dataset had not been missed. Fifth, the themes were defined and named, with attention to how each theme answered the research questions, for example, how trust was constructed, which actors (banks, non-bank providers) were trusted, and how these assessments differed between age groups. Finally, a coherent analytic narrative was produced, linking the themes to the study's objectives, research questions, and the broader literature on trust in digital payment ecosystems. Together, these steps provided a systematic but flexible way of analysing the qualitative material.

**Table 3.3:** Themes Identified in the Open Coding Process

| No. | Theme                                     | What it captures                                                                                                 |
|-----|-------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| 1   | Immediate Payment Trust (IPT)             | Trust built around immediate deduction, direct clearing, speed, and payment finality at checkout.                |
| 2   | Deferred Payment & BNPL Risks (DPBR)      | Concerns and evaluations related to pay-later services, hidden charges, repayment uncertainty, and overspending. |
| 3   | User Experience & Interface Design (UXID) | How speed, friction, redirects, biometrics, and interface smoothness shape trust at checkout.                    |
| 4   | Dispute Resolution & Safety Nets (DRSN)   | Beliefs about who protects the user when fraud, delivery issues, or payment disputes occur.                      |

|   |                                           |                                                                                                                          |
|---|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| 5 | Open Banking & Data Privacy (OBDP)        | User awareness, misunderstanding, or concern about data sharing, APIs, consent, and financial information access.        |
| 6 | Digital Fatigue & Routine Behavior (DFRB) | Habit, autopilot behavior, skipped scrutiny, and exhaustion from repeated digital payment decisions.                     |
| 7 | Ecosystem & Institutional Trust (EIT)     | Trust placed in banks, regulators, the payment ecosystem, and institutional oversight beyond any single app or provider. |

To compare age groups, the analysis was conducted both within and across cohorts. Within each generation, key patterns of trust were identified, including how participants described security, reliability and control when choosing between payment options. Across generations, similarities and differences in how Baby Boomers, Generation X, Millennials and Generation Z evaluated traditional bank-based versus FinTech payment options were examined, showing where expectations and comfort levels converged or diverged. Analysing data within and across age groups highlighted how trust was constructed and prioritised differently among generations.

To strengthen the credibility of the findings, parts of the interview material were coded independently by two researchers and then compared. Any differences in coding were discussed and resolved, and the coding scheme was refined where necessary. This iterative checking process helped to enhance the dependability of the analysis (Shenton, 2004), while recognising the interpretive nature of qualitative research and the active role of the researcher in shaping the results.

### 3.5 Ethical Considerations

Ethical considerations are central to social science research, particularly when studies involve human participants and personal experiences collected through interviews (Bryman, 2012). This research followed established ethical principles for research involving human participants, as outlined by the Swedish Research Council (Vetenskapsrådet, 2024). In accordance with these guidelines, the study adhered to the core principles of information, consent, confidentiality, and responsible data use, while also ensuring compliance with the European Union's General Data Protection Regulation (GDPR).

The information requirement ensured that participants received clear and transparent information about the purpose of the study and what participation involved. Prior to the interviews, participants received an email describing the aim of the research, the interview procedure, the approximate duration of participation, and how the collected data would be used. Participants were also informed that participation was entirely voluntary and that they could withdraw from the study at any stage without providing a reason (Vetenskapsrådet, 2024).

Closely related to this principle is the consent requirement, which states that participation must be based on informed and voluntary consent (Bryman, 2012). Participants were

therefore asked to confirm their consent before the interview began. This consent indicated that they understood the purpose of the study and agreed to the recording of the interview for research purposes.

The confidentiality requirement concerned the protection of participant's identities and personal information. All interview recordings were anonymised during transcription by removing identifying details such as names, workplaces, or locations. Participants were instead assigned pseudonyms or codes in the transcripts and in the final thesis. The audio recordings and transcripts were stored on password-protected devices accessible only to the researchers. Any identifying information was removed from the data used for analysis to ensure that individual participants could not be recognised in the published results (Bryman, 2012).

In addition, the study recognised that discussions about personal finances and digital payment behaviour could occasionally involve sensitive experiences. Interviews were therefore conducted with careful attention to participant comfort. Participants were free to skip questions or stop the interview at any point if they felt uncomfortable. Protecting participant's well-being was given priority over collecting additional information.

Finally, the principle of responsible data use states that collected data must only be used for the purpose for which participants have given consent (Vetenskapsrådet, 2024). All personal data were processed in accordance with GDPR regulations, and the collected material was only used for this research project. Audio recordings were deleted after transcription and completion of the research process, and any stored data were securely managed and retained only for as long as necessary for the study. Through these measures, the research sought to ensure that participant's rights, privacy, and well-being were protected throughout the entire research process.

Through these measures, the research aims to ensure that participant's rights, privacy, and well-being are protected throughout the entire research process.

### **3.6 Scientific Quality**

Ensuring high scientific quality is an important aspect of any research study (Bryman, 2012). In qualitative research, quality is typically assessed through the concept of trustworthiness, which consists of four key criteria: credibility, transferability, dependability, and confirmability (Bryman, 2012; Mahkota & Mulyono, 2025).

Credibility refers to the extent to which the findings accurately represent participants' perspectives and experiences (Bryman, 2012). In this study, credibility was strengthened by using semi-structured interviews that allowed participants to describe their own experiences with digital payment services and trust perceptions in their own words. Interview questions were grounded in realistic payment scenarios rather than abstract opinions, encouraging participants to reflect on concrete experiences. Furthermore, the interview guide was carefully developed and reviewed prior to data collection to ensure that the questions were clear and aligned with the research questions. Testing the interview guide before conducting the interviews to ensure the correct operational measures for the concepts being studied also contributed to improved credibility by identifying unclear or leading questions (Shenton, 2004).

Transferability concerns the extent to which the findings may be applicable to other contexts (Bryman 2012). In qualitative research, the objective is not statistical generalization but rather to provide sufficiently rich and detailed descriptions that allow readers to assess whether the findings may be relevant in other settings. In this study, detailed descriptions of participant's experiences, perceptions, and reasoning regarding digital payment systems were presented. By providing contextual information about the Swedish payment ecosystem and the generational groups included in the study, readers will be able to judge whether the insights may be transferable to similar digitalized financial environments.

Dependability relates to the consistency and transparency of the research process (Bryman 2012). To enhance dependability, the study maintained clear documentation of the research procedures, including interview guides, coding procedures, and analytical decisions, as suggested by Shenton (2004). The thematic analysis was initially conducted separately by the two researchers before comparing the identified codes and themes. Any differences in interpretation were discussed until agreement was reached. Conducting the analysis independently before comparing interpretations strengthened the consistency of the analysis and reduced the influence of individual bias (Bryman, 2012).

Confirmability refers to the extent to which the findings are shaped by the participants rather than the researcher's personal assumptions (Shenton 2004). To enhance confirmability, efforts were made to maintain transparency throughout the research process by documenting analytical decisions and reflecting on potential researcher biases. Reflexive commentary was therefore an important aspect to ensure confirmability (Miles and Huberman, 1994), requiring continuous awareness of how prior assumptions regarding digital technology, trust, or generational differences could influence interpretation. Paying attention to data that contradicted initial expectations further supported confirmability by ensuring that interpretations remained grounded in the empirical material.



## 4 Findings

Though the interview structure followed four main topics: habits, awareness, checkout decisions, and comparisons, the thematic analysis uncovered seven distinct themes. These emerged from repeated ways people talked about trust during checkout, along with broader experiences using digital payments. To make the link between the interview guide and the analysis transparent, Table 5 shows the initial topics from the interview guide to the seven themes identified during coding, revealing how each connects to a specific research question which offers clarity on alignment through direct comparison.

**Table 4.1:** Mapping of Interview Guide Themes to Derived Analytical Themes

| Interview Guide Topics (T1-T4)                   | Derived Analytical Themes                |
|--------------------------------------------------|------------------------------------------|
| T1: Habits and T3: Checkout choices              | 4.1 Immediate Payment Trust              |
| T3: Checkout choices and T4: Comparisons         | 4.2 Deferred Payment and BNPL Risks      |
| T3: Checkout choices                             | 4.3 User Experience and Interface Design |
| T3: Checkout choices and T4: Comparisons         | 4.4 Dispute Resolution and Safety Nets   |
| T2: Awareness                                    | 4.5 Open Banking and Data Privacy        |
| T1: Habits, T2: Awareness & T3: Checkout choices | 4.6 Digital Fatigue and Routine Behavior |
| T2: Awareness and T4: Comparisons                | 4.7 Ecosystem and Institutional Trust    |

In our analysis, we distinguish between “bank providers” and “non-bank providers” when describing trust at checkout in Table 6.. We therefore group the payment options mentioned in the interviews into bank-based providers, operated by banks or directly linked to bank products, and non-bank providers, which include payment platforms and FinTech services that sit on top of bank accounts or cards often via open-banking or wallet infrastructures but are not banks themselves.

**Table 4.2:** Classification of bank-based and non-bank payment providers mentioned by participants

| Bank-based providers                                                     | Non-bank providers                             |
|--------------------------------------------------------------------------|------------------------------------------------|
| Bank accounts, debit and credit cards, Swish, traditional bank transfers | Klarna, Trustly, PayPal, Apple Pay, Google Pay |

The following sections draw on these themes and provider categories to show how different generations describe and compare trust when choosing between bank-based and non-bank payment options at digital checkout.

## 4.1 Immediate Payment Trust

Immediate Payment Transfer (IPT) is linked to RQ1 and captures how participants connected trust to payment methods that feel instant and clearly completed at checkout. Across the interviews, trust was often described as confidence in a payment process where participants understood what was happening, saw that the payment had gone through, and felt that no future obligations/payments remained after the transaction. Participants tended to express greater confidence in options where the full amount was deducted directly from their account, any future invoices or instalments were avoided, and the payment was explicitly authorized and confirmed through steps such as BankID or biometric approval.

### 4.1.1 Immediate Deduction as Control

For some participants, feeling in control of a payment was closely tied to paying directly from their own funds rather than through credit. A Baby Boomer (R12) made this explicit:

*“I use a debit card. Whatever money is in the account is directly deducted. I don’t get into credit-card type things... you don’t really know when the payment will come... if you miss it you can get extra charges. So I try not to get into the credit cycle at all; I prefer to pay the full amount.” - R12, 30*

This statement shows how immediate deduction from available funds is experienced as safer and more predictable, while credit is associated with uncertain timing and potential penalties.

A Gen Z participant described a similar sense of control when using debit:

*My bank’s debit cards feel very much sort of a continuation of what you do with cash, where you have a visual feel for how much of your money is going out. And when I pay with a debit card, I feel I sort of have, quote unquote, control over my expenditures and my own money. But in contrast with all the other options, I feel I’m kind of losing sight of my expenditures... I tend to trust these platforms and myself less in this format.” - R4, 72*

In R4's account, being able to clearly see money leaving the account and maintain a sense of control is directly linked to trusting debit more rather than alternative options, suggesting that immediate, visible deduction can function as a basis for trust in the payment process.

#### 4.1.2 *Paying now avoids future uncertainty*

The same participants also framed paying in full at checkout as a way to avoid later uncertainty. R12's quote above not only emphasizes immediate deduction, but also the desire to "not get into the credit cycle" because of unknown payment dates and possible extra charges. A Gen X participant (R10) expressed similar concerns about deferred payments and routines, distinguishing between using credit as a tool and carrying debt.

*"I think with Klarna I'm not 100% sure, because you don't pay up front. I've used credit cards in the past, but I've always paid up front, so I just use them to get a bonus or whatever and I carry no debts through. To use something like Klarna, I'd have to change my whole process of buying things. With my memory, I'd probably forget I bought something and then neglect it. Whereas with Swish or card payment, it happens straight away."* - R10, 34

Across these accounts, paying the full amount now with methods such as card, direct bank transfer or Swish is framed as a way to prevent future uncertainty, debt cycles and loss of control, and is therefore used as a basis for trusting these options more than deferred or credit-based solutions.

#### 4.1.3 *Visible Authorization and Instant Confirmation*

Several participants also connected trust to visible authorization steps and instant feedback that a payment had been accepted. A Gen X participant highlighted this in relation to Swish:

*"I think with Swish, because it's immediate, I'm okay with that. You get the tick straight away, and if the tick doesn't go through, then you assume the payment hasn't gone through and it can stop there... I chose Swish, because I have to input my Bank-ID... there's a record for me that when I choose Swish, the number comes up and I can decide if I want to approve that or not."* - R10, 25

Here, the combination of BankID approval, a visible tick, and a traceable record provides reassurance that the payment has been explicitly validated and is under the user's control. Younger participants (Millennial R2 and Generation Z R6) described Apple Pay in similar terms:

*"Apple Pay is really so fast, just two clicks on the side button and Face ID and it goes through."* - R2, 31

She added that she had never experienced any issues with it in practice (R2, S.No 31), linking trust to a familiar biometric approval step that clearly signals when a payment has been authorized.

Younger participants, particularly Gen Z, also described Apple Pay as a visible biometric approval process with instant confirmation. R6's account shows how Face ID makes the payment quick, clear, and reassuring (R6, S.No 38).

A Baby Boomer (R8) contrasted typing card numbers with Swish and BankID, explaining that entering card details online can lead to mistakes.

*"When I pay online with the card, I have to type the card details. Sometimes I mistype the number. With Swish you always have to use BankID. That is more convenient. When you do online card payments, the problem is typing the numbers you can accidentally type the wrong number."* - R8, 104

Whereas with Swish "you always have to use BankID," which they experienced as more convenient and integrated into everyday banking routines: "BankID is used everywhere.

Taken together, these accounts from Baby Boomers, Gen X, Millennials and Gen Z indicate that visible authorization (BankID, Face ID) and instant confirmation (ticks, receipts) are important cues that a payment has been properly validated and can be trusted.

Overall, Immediate Payment Transfer shows that across generations, participants tended to trust bank-linked options such as debit cards, Swish and similar direct transfers more than credit-based or deferred services, because these methods felt immediate, clearly completed and easier to keep under control at checkout.

## 4.2 Deferred Payment and BNPL Risks

While the previous section showed how participants built trust by finishing a payment instantly, this theme looks at the opposite: how delaying a payment creates worry and uncertainty. When comparing pay-later options (like Klarna or credit cards) to direct bank payments, many participants felt uneasy because the payment was not truly finished at checkout. They worried about hidden fees, the risk of adding interest, the effort of remembering to pay later, and losing track of their total spending. Because of this, many participants said they trusted immediate pay-now options more than BNPL services. While some of this unease came from not understanding how the companies calculated fees, the main concern was simply about keeping control of their everyday money.

### 4.2.1 Hesitation around pay-later and hidden costs

Across generations, a common thread emerged: people tended to hesitate around buy-now-pay-later options, unsettled by what happened financially once they clicked purchase. Reported concerns included uncertainty about future fees, unclear interest, and the risk of forgetting later payments. One Gen Z participant stated:

*“I'd probably avoid Klarna as much as possible... I used Klarna once long ago, but had issues even making payment. I'm confused how much will they charge? Any interest? I don't want extra.” - R6, 44*

For another Gen Z participant, distrust in Klarna was shaped less by personal fees and more by seeing someone close struggle with BNPL debt. He described a former roommate who put everyday train tickets for a summer job on Klarna, only to be unable to pay them back at the end of the season, leaving the respondent to cover the shortfall. After that episode, he said he tried to avoid Klarna “at all costs,” seeing it as a risky credit tool rather than a neutral payment button. (R3, SNO 39)

A Gen X participant linked his reluctance to the risk of overlooking future instalments, contrasting this with immediate payments:

*“To use something like Klarna, I'd have to change my whole process of buying things. With my memory, I'd probably forget I bought something and then neglect it. Whereas with Swish or card payment, it happens straight away.” - R10, 34*

A Baby Boomer participant reported that people in her environment generally advise against instalments and BNPL:

*“Most people around me say something like: ‘If you're buying something, then pay for it right away. Don't carry the burden forward.’ If you have the money, pay in cash or with your debit card on the spot; don't get into instalments, credit, Klarna, and all that. We don't like this idea of ‘take it now, pay later’.” - R12, 48*

Overall, participants described BNPL as involving more uncertainty about timing and total cost than bank-linked pay-now options such as Swish, debit cards, or direct transfers, which they associated with “happens straight away” payments at checkout.

#### 4.2.2 Loss of spending overview

Some participants reported that deferred payments made it harder to maintain an overview of their total spending. They described a weaker connection between the moment of purchase and the actual outflow of money when using pay-later arrangements. A Millennial participant explained:

*“I was for many years using Klarna this option to pay it later and I've noticed that I started increasing how much I buy things because I would always buy something and I pay for it within 30 days and even though there is a really good list in Klarna things that you bought I found it hard to keep track of what I bought and how much money I actually have left at the end of the month so I was buying more than I actually had money for but for me that was like I simply stopped with that so instead of using the option to pay later I still use Klarna. So I used I still use Klarna but only to pay something now so I don't use the faktura anymore which was the one thing that changed my habits as you're talking about but when I stop using the faktura I um yeah I think um I use it wisely I don't spend more or less.” - R2, 11*

In this account, the participant reported discontinuing the pay-later invoice option after experiencing difficulties in tracking expenses, while continuing to use Klarna only for pay-now

transactions. She described immediate payment methods, including pay-now via Klarna, Swish or card, as more compatible with keeping control over her monthly budget.

#### 4.2.3 Conditional Usefulness of BNPL

Despite these concerns, some participants described situations where they considered BNPL useful. Reported use cases included high-value purchases, expected returns, and temporary cash-flow constraints, where a few participants relied on such services during specific buying moments. For example, one participant used Klarna to split a high-cost order into smaller payments:

*“Twice I bought a few things from Klarna. And there's an installment plan. I bought a sofa. So I did a Klarna installment plan. And one time I think I was buying some airline tickets...”* - R1, 4

The same participant also linked the use of credit and instalments to salary timing, stating that these options could be used to book travel or other larger purchases before receiving income and then pay the balance later (R1, S.NO 70). Another Millennial participant reported using invoice-type payments mainly for clothes that might be returned:

*“I could use Klarna for items that i might want to return like clothes I want to try it on eventually send it back and pay it with the faktura because then i only pay for the items that i keep instead of paying the whole amount and then waiting for a return...”* - R2, 5

A further Millennial participant described Klarna as an option for distributing large expenses over time:

*“For larger purchases I will look at Klarna because... it has this option of like dividing up... into three months, six months or whatever... so it doesn't impact the economy so much every single month and you can better sort of plan it.”* - R7, 8

Among Gen X participants, one respondent stated that he had started using Klarna more often because many merchants route payments through it, and that he appreciated having detailed receipts and the ability to pay later in some larger transactions, even though Swish remained his baseline preference (R9, S.No 21).

Across these accounts, participants treated BNPL as a secondary option for specific purchases when fees, schedules and refunds felt clear, and otherwise preferred bank-linked pay-now methods.

### 4.3 User Experience and Interface Design

This theme connects to RQ1 by showing that trust at checkout was shaped not only by the type of payment option (immediate or deferred, bank-based or non-bank), but also by how the checkout interface looked and worked. Participants explained that the way payment options were presented on the screen influenced whether they felt comfortable proceeding with a transaction. Across the interviews, they described familiar layouts, clear information about amounts and payment methods, and visible confirmation messages as features that made payment options feel safer to use.

The following sub-themes examine how smooth and predictable flows, recognizable design patterns, and visible changes in the interface supported trust at checkout, and how unexpected or unclear elements sometimes created doubt or hesitation.

#### 4.3.1 *Frictionless Checkout as Reassurance*

Several participants, particularly from younger cohorts, associated fast and seamless checkouts with trustworthy payment options. Convenience and the absence of friction were described as important characteristics when the same method had worked reliably in the past. A Gen Z participant described Apple Pay in these terms:

*“It's just Apple Pay because I click on it, double-tap the side of my phone, Face ID, and that's it, extremely short, like five seconds.”* - R6, 38

A Millennial also highlighted that Apple Pay felt ‘really so fast’ and reliably processed payments without problems (R2, S.No 31), emphasising both speed and positive experience. Another Millennial participant reported that for smaller, everyday purchases “it's speed” that matters and that they want the payment to be reflected quickly in their account.

*“If it's a smaller purchase then, uh, it's, it's speed, so I want it quickly reflected in my account.”* - R7, 72

In these accounts, participants linked trust to a smooth and familiar flow that had consistently completed payments without issues, rather than to additional verification steps and were fast.

#### 4.3.2 *Familiar interface patterns build acceptance*

Participants reported that they trusted payment options more when checkout flows followed familiar steps, such as saved cards, standard BankID prompts, and recognisable confirmation screens. These patterns were described as making the process predictable and reducing the effort required at checkout. One Millennial participant highlighted how pre-saved details supported this:

*“If I am in a hurry, I choose Google Pay, where I already have the same credit card added... To save time, so that I do not have to enter all the card details myself, I also choose Klarna if I am in a hurry...”* - R1, 29

A Gen X participant described feeling reassured when Swish followed the usual BankID approval sequence:

*“I chose Swish, because I have to input my Bank-ID... There's a record for me that when I choose Swish, the number comes up and I can decide if I want to approve that or not.”*  
- R10, 30

Across these accounts, participants linked higher trust to checkout interfaces that behaved in expected ways and matched patterns they already knew, rather than to new or unfamiliar flows they had to interpret under time pressure.

### 4.3.3 *Unexpected design shifts trigger suspicion*

Participants also reported that unexpected changes in the checkout flow reduced their willingness to proceed with a payment. Sudden redirections, unfamiliar payment windows, or sites that appeared unusual were described as reasons to cancel a transaction. A Gen X participant stated:

*“If I try to pay and then my payment window goes to another country or something like that then I’m well aware of that and I might cancel my transaction.” - R5, 42*

A Millennial participant similarly noted avoiding entering card details on websites that looked “fishy,” even if the method itself was usually convenient. A Baby Boomer participant added that new or unfamiliar companies were viewed as less trustworthy until several smooth transactions had accumulated. In these cases, deviations from expected interface behaviour were associated with lower trust in both the checkout and the payment option offered.

In sum, participants indicated that even technically reliable payment methods could lose their trust if the checkout flow departed from expected patterns.

## 4.4 **Dispute Resolution and Safety Nets**

While the previous theme focused on how checkout interfaces and flows influenced trust during the payment itself, this theme shifts attention to what happens if something goes wrong after payment. It connects to RQ1 by showing how participant’s trust in different payment options was influenced by their expectations about who would help them in such situations, and to RQ2 by illustrating how perceived security, institutional credibility and the way problems are handled shaped these expectations across generations.

### 4.4.1 *The bank as the ultimate safety net*

Across generations, banks were frequently described as the main safety net when something went wrong with a payment. Even when participants used Swish, Klarna, Trustly or other intermediaries, they often expected their bank to have the final responsibility for investigating fraud and deciding whether money would be refunded. A Baby Boomer participant explained:

*“If some strange transaction appears, they check whether it’s genuine or fraud. They investigate, it takes some time, and then they tell you yes or no - whether you’ll get the money back or not. So in that sense, I do have some trust that at least the banks will look into it.” - R12, 42*

Another Baby Boomer participant linked trust in banks and payment companies to whether they have a “proper office” where it is possible to go and talk to someone, noting that branch closures and a shift to telephone contact made it less clear where to go when problems arose and that trust felt lower than when local bank branches were still open (R12, S.No 38). A Gen X participant saw it in terms of relationships: the bank had the biggest incentive to side with its customers:



*“My bank. Because my bank is the one who is having my money and they are interested in keeping that money instead of Klarna. In case of Swish, they just charge me from the account. So I guess that they don't have that much relationship with me then my bank.” - R5, 58*

Younger people echoed the same thought. A Gen Z participant made a clear split between the platforms processing payments and the bank that actually held the money:

*“The bank, because it holds my money and initiates the process. These companies are just platforms, they're not holding the money or security.” - R6, 60*

A Millennial participant highlighted previous credit-card disputes and described banks as “a bit more serious towards these kinds of things,” (R1, S.No 47) indicating that he would turn to the bank if a merchant or payment company could not resolve a problem. Across these accounts, participants presented banks as the primary point of contact and decision-maker for recovering money when payments went wrong.

#### 4.4.2 FinTechs as situational buyer protection

At the same time, some participants described payment companies such as Klarna, Swish, Trustly, PayPal or credit card providers as practical in specific situations when dealing with online purchases or problems with merchants. In these cases, trust was linked to concrete dispute-handling features such as pause-payment options, in-app complaint buttons or clear refund processes. A Millennial participant shared a positive story about using Klarna's interface to pause an invoice when a product arrived damaged:

*“I think in Klarna there is some sort of a button that the item did not arrive... when I received something that was broken... I actually had the option to pause the payment. There was just a button and a simple option to describe what's happening... so they paused the payment gave me more time to pay this order.” - R2, 60*

The same participant stated that, in practice, she would first contact the seller but then expected the payment company to stand behind her if needed:

*“I think in the first hand, Trustly, Swish, and Klarna. These that actually made the payment.” - R2, 64*

A Baby Boomer participant noted that, in her family, Klarna had been perceived as stepping in on the customer's side when merchants sent the wrong products or did not respond, reinforcing the idea that such services can intervene directly in disputes with sellers (R12, 44). Another Baby Boomer participant stated that they would first contact the store if something went wrong with a purchase made via Klarna and remarked that it had become harder over time to find telephone numbers for companies, with many now only offering chat, which they experienced as a change compared with 10-20 years ago.

*“I haven't bought something that big as yet... they have so far delivered what I ordered... I don't know now but I think I would call the store... nowadays it's different, earlier you could always phone a company... nowadays many companies you can't find a telephone number... you always have to chat... It's different from what it used to be... when you are old it's very different from 10-20 years ago.” - R11, 60*

Across these accounts, participants described banks as the main long-term safety net, and specific payment companies as additional, situational protections that could pause payments or help reverse charges when problems arose with particular purchases.

## 4.5 Open Banking and Data Privacy

This theme is mainly linked to RQ2 and examines how participants understood the data-sharing and privacy arrangements behind open-banking-based payment services. Across generations, most participants reported low awareness of “open banking” as a technical or regulatory term, yet continued to use services such as Swish, Klarna and Trustly without major hesitation. Their trust in how data was handled rested largely on routine use, confidence in regulation and institutional safeguards, and limited engagement with available information about data access and protections.

### 4.5.1 Low awareness, continued use

Several participants stated that they did not know what “open banking” meant or had never thought about it in detail, even though they regularly used payment services that rely on bank–fintech data sharing. One Millennial said:

*“I’ve probably heard of open banking before, but I never really thought about it and I’m not sure I actually know what it means.”* - R2, 14

A Gen X participant described a similar pattern, noting that although he had heard of open banking, he had “not really given it much thought” and instead continued using familiar and trusted systems out of habit (R10, S.No 11).

A Millennial participant also linked their trust to what they saw as strong regulation, pointing to a standardised warning box about credit costs (“Att låna kostar pengar”) that appeared consistently across different websites and signalled that providers must clearly state fees and loan terms in advance (R1, S.No 49).

Across these examples, privacy concerns were secondary to routine use and institutional trust, that is, participants described data sharing as a largely expected feature of digital payments and often relied on regulation and bank oversight rather than actively monitoring how their data moved.

### 4.5.2 Privacy concern secondary to routine

Building on this, participants often treated data access and sharing as a normal part of using digital payment services and did not describe any ongoing, active concern about it. When privacy worries were mentioned, they were frequently balanced by references to regulation, data-protection rules or the perceived stability of the banking system. One Millennial initially reacted with some concern to the idea of data sharing but then reassured herself by assuming that strong GDPR-style protections were in place (R1, S.No 13).

Later in the same interview, this participant argued that extensive bank visibility over transactions was already an established part of digital life:

*“To be honest when we are when we have moved to digital banking... the bank already has all information where the money is coming. From where it's going... I don't think okay I have any concerns over there.” - R1, 22*

A Gen X participant similarly felt comfortable with data access as long as banks were regulated by the government and obliged to secure customer's money (R5, S.No 26).

Across these examples, privacy concerns were secondary to routine use and institutional trust, i.e., participants described data sharing as a largely expected feature of digital payments and often relied on regulation and bank oversight rather than actively monitoring how their data moved.

#### **4.5.3 Information is present but rarely processed**

At the same time, participants generally recognised that information about terms, conditions and data handling was available at checkout but reported that they rarely read it in full. They described the texts as long and legalistic as the reasons for skipping such information. A Millennial participant characterised banking agreements in this way:

*“The clause is, when you read, for example, a banking agreement, it has a very comprehensive, and I would say a bit daunting kind of language... I don't think any of us goes through all those legal agreements and contracts...” - R1, 24*

A Gen X participant reported routinely clicking through without reading:

*“I just click through I don't have time for reading the terms and conditions actually.” - R5, 66*

A Gen Z participant described a selective approach, differentiating between services:

*“For Apple Pay and Swish, I don't read anything. For Klarna, I read a lot.” - R6, 70*

A Baby Boomer (R8, S.No 32) similarly noted that they had not checked how Swish works or what protections are offered, but continued using it because it had worked smoothly and become part of their routine, while another Baby Boomer (R11, S.No 50) emphasised that seeing the exact amount to be deducted was sufficient for them to feel the information was clear.

These accounts suggest that, even when information about data use and protections is available, participants in all generations mainly relied on familiar, established services and past positive experience rather than carefully reading the written terms when deciding whether to trust how their data is handled.

## **4.6 Digital Fatigue and Routine Behavior**

While the previous theme focused on how participants understood data sharing and protections, this theme is mainly linked to RQ2 and examines how habit, digital fatigue and selective attention shaped which aspects of trust participants focused on when choosing between payment options at checkout. Across generations, participants often described payment choices as automatic and routine, with closer scrutiny reserved for situations that felt new, risky or more complex.

#### 4.6.1 Routine-based trust

Across the interviews, participants often explained that their trust did not stem from detailed knowledge of how payment systems worked but from repeated use without negative incidents. They described sticking with familiar services that had mostly worked and rarely saw reasons to change them once they became part of everyday routines. A Millennial participant expressed this directly:

One Millennial captured this perfectly:

*“I think I would just keep going with it because it's part of my routine and it has always worked. I never experienced any sort of problems.” - R2, 28*

A Gen X participant similarly emphasised habit and familiarity over reflection:

*“I had heard of it, but I've not really given it much thought, to be honest, because I just use what is my normal, what I've felt safe with... I'm a creature of habit. Once one system works, I know how it works and I don't change it.” - R10, 11*

A Baby Boomer also described Swish as part of their routine and saw no need for additional information, explaining that they had not checked how the service works or what protections are offered but continued using it because it had worked smoothly and the transaction history was visible on Swish.

*“I just tested it the first time and it seemed to be working. I have not seen any trouble with my payments with Swish.” - R8, 32*

Together, these accounts indicate that routine and past successful experience with a payment option became a key basis for continued trust across generations.

#### 4.6.2 Information overload and skipping behavior

While sub-theme 4.5.3 showed that information about terms, conditions and data use was often present but not fully processed, this sub-theme looks at how skipping that information became a practical shortcut under time at checkout. Participants described skipping or skimming payment information as a way to keep the process quick, noting that long, legalistic texts were hard to process at the moment of purchase. A Millennial participant described banking agreements as using complex, often daunting legal language that is rarely read in full (R1, S.No 24).

While several participants reported skimming familiar pay-now options, they read more carefully when services involved instalments or felt less familiar. Similarly, a Gen Z participant described skipping terms for Apple Pay or Swish while reviewing them more carefully for Klarna, highlighting information overload and context-dependent attention (R6, S.No 70).

In these accounts, digital fatigue and information overload meant that participants prioritised speed and convenience at checkout, relying on familiar providers and past positive experience instead of slowing down to review every detail in the terms.

## 4.7 Ecosystem and Institutional Trust

This theme relates to both RQ1 and RQ2 and examines how participants expressed system-level trust in the wider digital payment environment surrounding bank-based and non-bank options at checkout. Earlier themes showed institutional trust in more specific situations, for example, in immediate pay-now flows backed by BankID and banks (section 4.1), in expectations that banks and some payment companies would help if something went wrong (section 4.4), and in accepting data sharing under GDPR and banking rules (section 4.5). Here, the focus shifts to participant's background assumptions that many described a general trust in the regulated system of banks, laws, BankID and well-known payment brands within which both bank-based and non-bank checkout options operate, so that providers appearing inside this environment were often treated as already vetted rather than scrutinised in detail.

### 4.7.1 Regulation as reassurance

Across generations, participants often pointed to regulation and legal protections as reasons they felt comfortable using both bank-based and non-bank payment options. Several assumed that any service allowed to operate in Sweden's financial market had already met basic standards of security and consumer protection. A Gen X participant put this directly:

*"I don't really care because it's just like, since banks are nowadays regulated by the government, then they have to give you a security of your money... so that what I'm aware of says that I'm okay with that."* - R5, 26

A Millennial respondent took a similar view on data sharing, relying on legal frameworks rather than technical checks:

*"okay but yeah that could be a bit concerning yeah for me as well. Yes but I think but I think I'm pretty sure that there would have some very strong GDPR and data protection."* - R1, 13

In these accounts, regulation functions as system-level reassurance that bank-based and non-bank payment actors operate within controlled boundaries, even when participants do not fully understand how the underlying infrastructures work.

### 4.7.2 Banks as the backbone

Participants often assumed that a bank ultimately sat behind digital payment options at checkout, even when the visible interface was a non-bank provider. Bank-run infrastructures and BankID were described as the backbone that made both bank-based and non-bank services acceptable. A Millennial participant highlighted this when talking about larger payments:

*"No i think i i do the bigger payments also with the online payment as long as it's available. I have a big trust in the bank id and anything that goes through bank id..."* - R2, 9

R6 emphasized the bank as the core institution holding funds, distinguishing it from payment providers viewed as platforms layered on top of the account (R6, S.No 60).

These views suggest that non-bank payment options were often trusted because they were seen as plugged into a bank-managed system, rather than as separate.

#### 4.7.3 *Big names replace personal scrutiny*

Participants also relied on well-known providers as a shortcut when deciding whether to trust bank-based and non-bank options at checkout. Large banks, card schemes and payment companies were viewed as trustworthy because of their size, history and presumed compliance with regulation, not because users had examined each option in depth. A Millennial participant explained:

*“But I know that if it's a big name, they have, and for example, when it's Swedbank or MasterCard or Visa, so they have been working for decades and they have a very solid framework of data protection, of anti-theft and of insurances... these big companies, they cannot operate unless they have very strong internal systems certifications with the government with the finance institutions.” - R1, 37*

This highlights institutional credibility and ecosystem as important trust dimensions alongside security and usability when participants compare bank-based and non-bank payment options at checkout.

## 5 Discussion

In this chapter, the findings presented in the previous section are discussed in relation to previous research and analysed through the theoretical lens presented in Chapter 2. The discussion examines each generation separately to explore how different generations describe and compare trust in bank-based and non-bank digital payment options at checkout.

### 5.1 Generations

#### 5.1.1 *Generation Z*

For Gen Z participants, ease and convenience were important, but so was feeling in control of the payment. Quick, hassle-free payments were appreciated, yet several respondents still preferred direct routes such as paying by card, bank transfer or Apple Pay and avoiding extra intermediaries where possible (R3, R4, R6). Familiar routines, like always using cards for most purchases, reinforced this sense of control and trust, even when participants were unsure how money moved between banks and payment companies in the background (R3, R4, R6).

To better understand this pattern, this result can be understood through McKnight et al. (2002), which separates trusting beliefs from institutional trust, while also considering Pavlou (2003)'s view that trust allows people to move forward when outcomes are unclear. Rather than focusing on technical details, Gen Z participants largely based confidence on whether a payment process felt familiar, smooth, and straightforward, highlighting how User Experience and Interface Design (Section 4.3) and perceived structural assurances jointly shaped their trust during checkout. For example, one participant (R6) viewed Apple Pay as nearly effortless because authentication happened within seconds using Face ID, which fits Kim et al.'s (2009) argument that early trust in mobile banking is shaped by built-in safeguards and platform design. Another linked reliability to simplicity: fewer steps, fewer intermediaries meant greater comfort during checkout (R3).

Trust in digital financial tools tends to grow not through deep knowledge of backend operations, but because people find them easy and safe to operate (Beheri et al., 2025). Although two participants demonstrated minimal recognition of Open Banking and Data Privacy (Section 4.5) as a concept, their confidence in fast-payment systems remained intact, mainly due to habitual, routine usage patterns (R4, R6). What individuals accept as legitimate is often shaped by regulatory presence, repeated exposure, and a sense of institutional reliability, despite gaps in grasping data logistics (Chan et al., 2022; Mansour, 2026).

Despite this general confidence, another important aspect of trust among Generation Z participants is that confidence in digital financial tools does not mean they trust fintech services uncritically (Chan et al., 2022). Although younger users are often perceived as tech-savvy, their trust can still weaken when financial risks feel unclear, especially in relation to Deferred Payment and BNPL Risks (Section 4.2) in services such as Klarna and other unfamiliar non-bank payment platforms (Pavlou, 2003; Beheri et al., 2025). One participant voiced doubt about concealed fees within Klarna's model, signaling hesitation even among those fluent in digital services (R6). Another linked BNPL usage to reckless spending after observing a peer struggle with mounting obligations (R3). Hesitation surfaced again in a third case where Klarna

was compared to a cycle of growing debt, favoring instead transactions limited to existing balances (R4).

Trust among Gen Z individuals appears shaped by familiarity with institutions, not deep comprehension of systems; evidence drawn from interviews aligns with earlier conclusions about reliance on organizational credibility and Ecosystem and Institutional Trust (Section 4.7) (McKnight et al., 2002; Chan et al., 2022). Rather than dissecting how data flows work, some users express confidence simply because firms seem official or long-standing. Participant 6 trusted fintech services because they believed the services were regulated, even though they did not know much about how they worked behind the scenes. By contrast, Participant 4 appeared more cautious and continued to associate stronger control and protection with bank-based payments. What emerges is a consistent pattern: assurance tends to stem not from evaluating risks firsthand but from believing well-known players operate under guardrails others have already verified (McKnight et al., 2002).

Overall, trust among Generation Z participants is shaped less by technical understanding and more by ease of use, habitual interaction, and perceived institutional legitimacy. Building on this, the following section examines how Millennials approach trust in digital payments, highlighting more differentiated roles for banks and fintech providers within the same ecosystem.

### 5.1.2 Millennials

Millennials were the only generation in this study who expressed trust in both bank-based and non-bank payment options at checkout (R1, R2, R7). They moved comfortably between credit cards, Swish and direct bank payments on the one hand and Klarna, PayPal, Trustly and digital wallets such as Apple Pay and Google Pay on the other (R1, R2, R7). In other words, when faced with bank-based and non-bank alternatives at checkout, Millennials' trust was less about whether the provider was a bank and more about whether the payment in that situation felt clear and efficient.

This pattern connects strongly to the theme of Immediate Payment Trust (Section 4.1). Millennial participants valued payment methods that were quick, visible and easy to authorise, particularly Apple Pay, Google Pay, Swish and card-based payments linked through familiar mobile interfaces (R1, R2, R7). Wallet-based payments were especially attractive because they reduced friction at checkout and instead of typing card numbers manually, participants could confirm payments with Face ID, BankID or saved details in just a few steps (R1, R2, R7). For this cohort, speed did not reduce trust; smooth, familiar flows signalled that the system was working properly, reinforcing the broader theme of User Experience and Interface Design (Section 4.3). This echoes our findings that useful, easy-to-use services, combined with trust in the provider, encourage people to use online services (Gefen et al., 2003).

Millennials also showed a clear pattern of Deferred Payment and BNPL Risks (Section 4.2), especially the sub-theme conditional usefulness of BNPL, rather than rejecting it outright as risky. Klarna and similar services were used for larger purchases, payments close to salary dates or situations where a return was likely, such as clothing orders (R1, R2, R7). In these cases, BNPL or Deferred Payment options were seen as tools for flexibility, budgeting and control, especially when fees and repayment schedules were clearly displayed. At the same time, Millennial trust in BNPL was not without critique as one respondent stopped using Klarna's pay-later function after realising it encouraged overspending and made it harder to keep track of monthly finances, while still using Klarna for direct payments (R2). This



suggests that Millennials adjusted their behaviour based on experience, treating BNPL as situationally useful rather than simply trustworthy or untrustworthy. This behaviour aligns with research indicating that consumers' trust in digital payment systems is shaped over time by perceived risks and their prior experiences with these services, rather than being uniformly high or low (Kim et al., 2009; Beheri et al., 2025).

The theme of Ecosystem and Institutional Trust (Section 4.7) was particularly visible among Millennials. From the perspective of McKnight et al.'s (2002) institution-based trust, Millennials showed strong trust in the wider digital payment environment, not only in banks. Their confidence rested on the assumption that widely used services such as Apple Pay, Klarna, Swish, Mastercard and PayPal operate within a regulated and technically secure ecosystem, even when they did not fully understand how the underlying systems worked (R1, R2, R7). Structural assurance appeared in references to BankID, GDPR, state protections and standardised Swedish loan disclosures, including the warning "Att ta lån kostar pengar", which one participant read as proof that providers must present fees openly (R1). Situational normality appeared in the way large, visible payment brands were simply treated as a normal part of online shopping. In this sense, institution-based trust for Millennials appeared to extend beyond individual banks to a broader digital payment ecosystem in which banks and fintechs operate side by side (McKnight et al., 2002; Yacoubian, 2025).

Millennials also expressed positive trusting beliefs about providers across competence, benevolence and integrity, mirroring classical trust dimensions in IS research that emphasise beliefs about ability, benevolence and integrity as core to trusting relationships (McKnight et al., 2002; Söllner et al., 2016). Banks and card issuers were seen as competent and reliable in serious cases such as fraud or chargebacks, especially when participants had prior positive experiences of getting money back after card theft or cancelled services (R1, R7), which aligns with findings that successful problem resolution reinforces trust in digital payment and banking services over time (Kim et al., 2009; Beheri et al., 2025). At the same time, non-bank providers such as Klarna were often seen as more helpful in everyday consumer situations. Participants appreciated app-based overviews, reminders and dispute buttons that allowed them to pause payments or report problems without going through the bank (R2, R7). This gave fintechs a sense of practical benevolence, as they often felt more "on the customer's side" in routine disputes with sellers (R2, R7), echoing evidence that user-centred service features and perceived benevolence are central to trust in digital payment platforms (Beheri et al., 2025; Söllner et al., 2016). In terms of integrity, Millennials generally viewed Swedish payment providers as transparent about fees and repayment terms, but this view rested more on repeated use and standard warnings than on detailed reading of terms and conditions (R1, R2, R7), reflecting studies that link perceived transparency and repeated positive experience to higher trust despite limited scrutiny of formal terms (Beheri et al., 2025; Yacoubian, 2025). Overall, this combination of competence, benevolence and perceived transparency fits with digital-finance research that sees such trusting beliefs as a key antecedent of willingness to engage in online and mobile transactions (Kim et al., 2009; McKnight et al., 2002).

Dispute Resolution and Safety Nets (Section 4.4) and Digital Fatigue and Routine Behavior (Section 4.6). Millennials often relied on Klarna or PayPal as the first line of support when something went wrong, while banks remained the deeper institutional backstop in more serious cases (R1, R2, R7). At the same time, their trust was rarely based on detailed scrutiny. Participants described relying on payment methods that had worked reliably in the past, with limited attention to terms and conditions or underlying data flows. This pattern aligns with prior research on digital payments, which indicates that trust is often grounded in habitual use and positive past experiences rather than detailed understanding of technical or regulatory

arrangements (Beheri et al., 2025; Yacoubian, 2025). For this cohort, trust was shaped less by detailed scrutiny and more by routine, visibility and prior success across both bank and non-bank payment options.

Overall, Millennials stand out as the generation with the most distributed trust across the digital payment ecosystem. Rather than choosing between banks and non-bank payment options, they assigned different roles to each like, banks and card issuers were relied upon for security and financial recovery, while wallets and fintech providers were trusted for convenience and flexibility in everyday transactions (R1, R2, R7). This pattern extends McKnight's model by illustrating how trust and trust-related behaviours can operate across multiple providers simultaneously, as long as the broader payment environment is perceived as stable, familiar and easy to navigate.

### 5.1.3 *Generation X*

Generation X participants in this study tended to prioritise safety, familiar routines and clear protective steps when using digital payment tools. For the participants in this group, trust was not framed as blind faith, but as confidence grounded in oversight, visible checks, accessible records and the expectation that someone responsible would intervene if something went wrong (R5, R9, R10).

One example stands out in how Generation X participants built trust at checkout, where a participant favoured Swish because of the distinct verification stage enabled by BankID, the prompt checkmark signal and the well-documented transaction history (R10), which closely reflects Visible Authorization and Instant Confirmation (Section 4.1.3) within Immediate Payment Trust (Section 4.1). Similarly, a participant expressed doubt when faced with sudden shifts in payment routing, noting that such moments could halt a purchase, and explained that card methods seemed more secure because of dependable assistance from financial institutions (R5). Together, these accounts show that Gen X trust in digital payments depends less on speed and more on clear verification steps and accessible support when something goes wrong, aligning with McKnight et al.'s (2001) claim that transparency in protective steps and organised processes tends to build user confidence.

Trust research also helps explain why these signals carried weight among Generation X participants. As Pavlou (2002) suggests, confidence in online settings grows when uncertainty is reduced through predictable and recognisable structures. In our study, payment methods gained credibility not because they were fast, but because they offered transparency, accountability and clear options to reverse or correct problems. This pattern shows that, for Generation X, trust in digital payment options at checkout is strongly grounded in Dispute Resolution and Safety Nets (Section 4.4) rather than in speed alone. Respondent 10, for instance, preferred immediate settlement over Klarna's deferred billing because delay introduced the risk of missed payments and disrupted routines, while Respondent 5 viewed banks as more dependable because they safeguarded funds and anchored the longer-term relationship.

These findings also suggest that trust in digital payments does not rest on technology alone. Respondent 5 pointed to clear pricing and state oversight as important sources of reassurance, while Respondent 9 emphasised the strict controls placed on financial institutions. For Generation X in this study, this supports the broader argument that trust in digital payment options at checkout develops less through detailed personal understanding of the technology and more through belief in the fairness and accountability of the surrounding system, reflecting

Ecosystem and Institutional Trust (Section 4.7). Chan et al. (2022) similarly show that trust is shaped by regulatory and policy frameworks, and Mansour (2025) argues that users often rely on institutional backing and familiar cues even when they do not understand backend processes in detail.

Still, results from Gen X add nuance, contrary to calling them merely skeptical of digital tools (Mahkota & Mulyono, 2025), their choices reflect careful filtering. Digital payments gain traction only if clarity exists, settlement happens fast, and trust links back to recognized organizations, combining elements of Immediate Payment Trust (Section 4.1) and Digital Fatigue and Routine Behavior (Section 4.6). Take Respondent 9: rejection wasn't automatic; acceptance grew where systems felt routine, recognizable, and under clear oversight.

Overall, the Generation X participants in this study expressed a practical form of digital trust shaped less by novelty than by stable systems and dependable safeguards. They responded positively when payment processes included visible authorisation steps, support from recognised institutions, and clear routes for resolving errors, but hesitation increased when terms were unclear, settlement was delayed, or responsibility for problems seemed ambiguous. Seen this way, Gen X distrust is not a rejection of modern payment tools in itself; rather, comfort depends on oversight, traceability, and trusted actors standing behind each transaction (Beheri et al., 2025).

#### **5.1.4 Baby Boomers**

For the Baby Boomer participants, trust in digital payments at checkout was closely linked to a sense of control, transparency and clear confirmation, reflecting the theme of Immediate Payment Trust (R8, R11, R12). Debit cards and, in the Swedish context, Swish were central in their routines which are linked to bank-based payment options, while Klarna was the only non-bank payment method they referred to using at all (R11, R12). When describing their choices at checkout, they emphasised immediate and visible transactions, where the charges were clearly understood and also confirmed, while avoiding unexpected invoices or additional fees. This pattern is consistent with research showing that older users place particular weight on security, transparency and clear processes when assessing digital payment options and often require additional reassurance compared with younger users (Beheri et al., 2025; Spevak et al., 2025). Building on this, our Baby Boomer accounts illustrate what existing models of trust and perceived risk in online transactions describe: when a payment option feels risky or unclear, the intention to use it drops, whereas options that feel secure and well protected are much more likely to be chosen (Kim et al., 2009; Handoyo, 2024). In our case, this means that BNPL and other non-bank options at checkout are often avoided because they are associated with higher perceived risk, while familiar bank-based methods such as cards and Swish are preferred because they are experienced as safer and more trustworthy.

From the perspective of McKnight et al.'s (2002) institution-based trust, Baby Boomers showed high confidence in the payment system when it was attached to established institution banks with state backing, in line with the theme of Ecosystem and Institutional Trust. They described bank-based options (cards, Swish via BankID, direct bank transfers) as older and more understandable than newer non-bank payment providers, and often contrasted these banks with "companies owned by persons" such as Klarna (R11, R12). Banks, BankID, and familiar payment flows made the environment feel calm and appropriate for transacting, while visible authentication steps were taken as signs that safeguards were in place rather than as unnecessary friction (R8, R11, R12). In other words, when Baby Boomers choose cards or

Swish over newer non-bank options, they are drawing on the kind of institution-based trust that McKnight et al. (2002) describe as arising from structural assurances and situational normality.

Their trusting beliefs about specific providers were strongly in favour of banks particularly when seen through the lens of Dispute Resolution and Safety Nets. Banks were seen as competent and serious as they had been handling money “for a long time,” had previously investigated suspicious transactions and, in earlier branch-based experiences, could explain and resolve problems face to face (R11, R12). Participants expected banks to follow rules, be backed by the state, and help recover funds when needed, even if they did not read all the detailed terms and conditions (R8, R11, R12) at checkout or otherwise. Non-bank providers were perceived more reluctantly across older generations. Klarna was described by younger family members of Baby Boomers as helpful when orders went wrong, but the Baby Boomers themselves still saw it as “a company owned by persons” and chose to pay invoices in full rather than use instalments (R11, R12). Swish was widely used and seen as technically reliable, yet if a problem arose participants expected the store, and then the bank, rather than Swish, to stand behind them (R8, R11, R12). In our findings, Baby Boomers therefore treat banks as the main safety net for dispute resolution and recovery, while viewing non-bank providers such as Klarna and Swish more cautiously and preferring not to rely on them as the ultimate problem-solvers at checkout. This preference for banks as the main safety net and the more cautious stance toward non-bank providers thus reflects a broader pattern in IS, where trust in specific institutions and perceived institutional safeguards play a decisive role in whether users are willing to rely on digital financial services (McKnight et al., 2002).

The Baby Boomer interviews also revealed several pain points in how they navigate digital payment options at checkout, which connect back to Digital Fatigue and Routine Behaviour. Older participants missed being able to visit a bank branch and speak to staff face to face, and they found it harder to know where to turn when many banks and companies mainly offer phone or chat support (R11, R12). In practice, they managed this uncertainty by relying on familiar bank-based options and using institution-based trust in banks and visible verification steps as ways to feel protected, while only making limited use of non-bank payment services in the absence of in-person support. This pattern resonates with qualitative research showing that some older customers feel disadvantaged when traditional branch contact is replaced by self-service devices and online or mobile banking, and may experience uncertainty or a lack of support when interacting with digital channels (Spevak et al., 2025).

## 5.2 Cross-generational synthesis (Addressing RQ1)

Across the four cohorts, trust at checkout was constructed less through technical understanding of payment infrastructures and more through familiarity, visible control, and confidence in the institutional environment surrounding the transaction (McKnight et al., 2002; Pavlou, 2002). Participants rarely described trust in terms of how payment systems worked behind the scenes, and instead relied on repeated successful use, known brands, BankID, receipts, transaction records, and the expectation that regulated actors stood behind the payment process (Sections 4.1, 4.4, 4.7). This pattern supports McKnight et al.’s (2002) argument that trust can emerge through structural assurance and situational normality, and aligns with Pavlou’s (2002) view that users become willing to transact online when surrounding structures signal predictability, protection, and legitimacy.

At the same time, participants did not trust all payment options equally, since bank-based methods and non-bank services were compared through different trust cues during the same checkout moment (RQ1). Bank-linked methods such as debit cards, direct bank transfers, and Swish were generally viewed as more trustworthy when they offered immediate settlement, visible authorization, and a clear overview of spending (Sections 4.1, 4.7). Non-bank services were trusted more selectively, especially when they were experienced as convenient, familiar, and embedded within a wider system associated with banks, BankID, regulation, or strong consumer protection (Sections 4.3, 4.4, 4.7). A shared finding across generations was that immediate payment tended to produce more trust than deferred payment, particularly in comparisons between debit or Swish and BNPL services such as Klarna, where hesitation often centred on hidden fees, repayment uncertainty, and loss of spending overview rather than on rejection of financial technology itself (Sections 4.1, 4.2). From a broader perspective, studies of online transactions show that higher perceived risk and uncertainty about outcomes lower consumer's willingness to transact, while research on digital payment systems highlights that trust is strongly shaped by security, transparency and perceived risks, which helps explain why unclear future obligations around BNPL services weaken trust even when the underlying technology feels familiar (Pavlou, 2003; Beheri et al., 2025).

Drawing on these patterns, the analysis identified a small set of trust aspects that were emphasised differently across cohorts: control and protection, convenience and routine, and the timing of payment. These aspects are reflected in how each cohort describes their main focus when trusting a payment, their view of bank-based options, and their stance on immediate versus delayed payment in Table 5.1.

**Table 5.1:** Cross-generational variation in trust at checkout

| <b>Cohort</b> | <b>Main focus when trusting a payment</b>             | <b>View of bank-based options</b>                                 | <b>View of non-bank options</b>                                            | <b>Immediate vs delayed payment (for example BNPL)</b>                               |
|---------------|-------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Generation Z  | Very quick, smooth payments on the phone              | Used as the normal/standard way to pay (for example Cards, Swish) | Used infrequently. Non-bank services were not part of everyday use.        | Prefer paying immediately. Worried that BNPL makes it easy to lose track of spending |
| Millennials   | Fast and easy payments that fits into everyday use    | Trusted, especially when they work smoothly in apps               | Used if they are convenient, familiar, and linked to banks or BankID       | Prefer paying immediately, but some use BNPL for flexibility                         |
| Generation X  | Having control, a reliable process, and clear records | Seen as reliable and easy to follow if something goes wrong       | Used, but with caution. Trust grows when they seem regulated and supported | Prefer paying immediately. Were careful with BNPL because of oversight and debt      |

|              |                                                              |                                               |                                                                     |                                                                           |
|--------------|--------------------------------------------------------------|-----------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------|
| Baby Boomers | Having control, checking details, knowing who is responsible | Seen as the safest and most dependable choice | Used only when they clearly look connected to banks or known actors | Prefer paying immediately. Were worried about later bills and hidden fees |
|--------------|--------------------------------------------------------------|-----------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------|

As Table 5.1 shows that all four cohorts drew on similar trust aspects but weighted them differently. Older cohorts placed stronger emphasis on oversight, visible records, and institutional reassurance, whereas younger cohorts more often prioritised fast and convenient payment experiences while still expressing caution around deferred payment and unclear fee structures. This supports the interpretation that generational differences in trust were differences of emphasis rather than strict opposition, with trust in all cohorts anchored in bank-linked infrastructures and the wider regulated payment ecosystem.

Baby Boomers and Generation X more often framed trust through control, verification, and the possibility of recourse, emphasising visible checks, clear records, and knowing who would help if a payment or purchase went wrong (Section 4.4). This pattern is consistent with prior research suggesting that older users (Baby Boomers) place greater weight on security, clarity and protection against mistakes in digital financial environments (Spevak et al., 2025). Millennials and Generation Z, by contrast, more often linked trust to speed, convenience, and easy phone-based payments, especially when services such as Apple Pay or Swish felt quick, familiar, and simple to authorise through Face ID or BankID (Section 4.3). This aligns with studies showing that younger, digitally literate users and so-called “digital natives” are more inclined to adopt mobile and online banking services, particularly when accessed via smartphones (Mahkota and Mulyono, 2025), while our findings suggest that these services have become part of everyday payment routines for many participants in these cohorts.

However, the findings also complicate any simple assumption that younger users automatically trust digital payment services while older users resist them. The Gen-Z participants expressed caution, particularly toward BNPL services and unclear fee structures, while older participants were willing to use newer payment tools when these resembled familiar banking processes, left visible records, or appeared anchored in recognised institutions (Sections 4.2 and 4.3). Taken together, these patterns show that generational cohorts in Sweden construct and compare trust toward bank-based and non-bank payment services through partly shared logics but different priorities: older cohorts tended to prioritise oversight and security, whereas younger cohorts more often prioritised ease and smoothness at checkout, within a payment ecosystem that remains strongly anchored in bank-linked infrastructures and the broader regulated environment (Sections 4.1–4.7).

### 5.3 Open Banking Awareness and Theoretical Implications (Addressing RQ2)

The findings suggest that user’s awareness and understanding of open banking influenced trust less directly than might be expected from regulatory or technical perspectives (Mansour, 2025). Across the interviews, most participants continued to use digital payment services even when they could not clearly explain how open banking, third-party access, or data sharing

actually worked in practice (Section 4.5). This means that trust was often maintained despite low conceptual understanding of the infrastructures behind the payment process (Section 4.5).

This pattern answers RQ2 by showing that awareness of open banking was generally limited across generations, yet this low awareness did not automatically reduce trust in bank-based or non-bank payment services (Section 4.5). Section 4.5 showed that participants often described continued use alongside partial knowledge, vague assumptions, or very limited reflection on what open banking meant as a concept (Section 4.5). Instead of basing trust on detailed understanding, participants usually relied on familiar brands, BankID, previous successful transactions, and the assumption that regulated actors would not be allowed to operate unsafe systems (Sections 4.5 and 4.7).

In theoretical terms, these findings fit McKnight et al.'s (2002) distinction between institution-based trust, because many participants trusted the payment environment without demonstrating detailed knowledge of its institutional or technical arrangements. The findings particularly support the importance of structural assurance, since users often inferred safety from regulation, authentication routines, and the visible presence of banks or established payment actors (McKnight et al., 2002; Pavlou, 2002). They also align with Pavlou's (2002) argument that trust in digital environments can emerge when the broader setting signals predictability, legitimacy, and protection, even if the user does not fully understand the underlying mechanisms.

At the same time, the findings do not suggest that awareness is irrelevant (Section 4.5). Several participants indicated that clearer explanations in simple language could increase comfort, especially when the information related directly to data access, responsibility, and what would happen if something went wrong (Section 4.5). What mattered most, however, was not abstract awareness of open banking as a policy concept, but whether information supported practical judgment during checkout (Sections 4.5 and 4.6). When information appeared as dense legal or technical text, participants often ignored it, skimmed it, or clicked through it in order to complete the purchase quickly (Sections 4.5 and 4.6).

These findings therefore suggest that low awareness did not eliminate trust, but shifted the basis of trust away from technical understanding and toward habit, interface familiarity, and institutional protection (Sections 4.5, 4.6 and 4.7). Participants often accepted data sharing as a normal part of digital payments and treated regulation, GDPR, banks, and well-known providers as signs that the system was already being monitored by others (Sections 4.5 and 4.7). In that sense, our findings support McKnight et al. (2002) and Pavlou (2002) by showing that trust in open-banking-enabled payments is grounded in confidence in the wider payment ecosystem, rather than detailed user scrutiny of individual providers.

The findings also contribute to the open banking literature by showing that users do not necessarily distinguish sharply between bank-based and non-bank services in the way regulators or platform designers might assume. Instead, many participants interpreted payment services through a layered logic in which banks remained the ultimate safety net, while non-bank services were accepted when they appeared connected to that broader institutional environment (Sections 4.4 and 4.7). This helps explain why trust in non-bank payment options could remain relatively stable even when awareness of open banking was weak (Mansour, 2025).

In this study, participants did not first develop a clear understanding of open banking and then decide whether to trust it. Instead, they encountered payment options in routine checkout moments where speed, recognition, control, and institutional familiarity shaped judgment more

strongly than technical comprehension (Sections 4.3, 4.6 and 4.7). This adds nuance to prior research by showing that, in our study, awareness of open banking shaped trust only indirectly, while participants mainly relied on usability, perceived protection and prior experience when deciding what to trust (Beheri et al., 2025).

Finally, our findings suggest that strengthening trust in open-banking-enabled payments should not rely only on giving users more information (Section 4.5). Trust is more likely to grow when institutional responsibility, safeguards and payment flows are easy to recognise at the moment of payment (Sections 4.5 and 4.7). For banks, non-bank providers and policymakers, this means focusing on clear interface communication, transparent dispute paths and visible reassurance about who is involved, who is accountable and how users are protected, in line with research on institutional safeguards and structural assurance in digital payments.



## 6 Conclusion

This thesis aimed to develop a deeper understanding of how trust is constructed and evaluated in digital payment environments, with a particular focus on how different generational cohorts in Sweden interpret and compare trust toward bank-based and non-bank payment services during digital checkout situations. Overall, the study shows that trust at checkout is shaped less by detailed technical knowledge and more by familiarity, visible control, and confidence in a broader regulated payment environment.

In relation to RQ1, the findings show that across Generation Z, Millennials, Generation X and Baby Boomers, trust at checkout was built mainly around immediate payment, the feeling that the payment was fully done, and a clear sense of control. Participants in all cohorts generally trusted bank-linked pay-now options such as debit cards, direct transfers and Swish more than deferred or BNPL services, because paying in full at once felt more finished, predictable and easier to manage. At the same time, the generations differed in emphasis: older cohorts placed stronger trust in banks, visible authorisation steps and dispute protection; Millennials distributed trust more broadly across both bank-based and non-bank options within one perceived ecosystem; and Gen Z participants valued smooth mobile experiences and biometrics while still expressing caution toward credit-like BNPL products when future obligations felt unclear.

In relation to RQ2, the findings indicate that limited awareness of open banking did not prevent participants from forming trust judgements, but it influenced how they understood non-bank providers. Most participants did not explain data sharing or APIs in detail, yet they placed non-bank payment companies within a broader regulated payment environment and often assumed that anything accessed through BankID or linked to their bank followed strong rules and protections. As a result, many trusted non-bank services when they seemed connected to bank systems rather than separate from them, which points to trust in the wider payment ecosystem more than to detailed knowledge of open banking itself. Methodologically, the qualitative and abductive design also shows that McKnight et al.'s trust model provides a useful lens for analysing how different generations describe concrete checkout situations, adding detailed cohort-based insight to IS trust research.

### 6.1 Further Research

Future research can build on this study in several ways. First, the findings are based on a small, qualitative sample in Sweden, so larger quantitative studies could test how common the identified trust patterns are across the wider population and across more granular age groups. A large-scale survey, based on the themes in this thesis, could examine how attitudes such as immediate payment, trust in BNPL, ecosystem trust and the design of the checkout page relate to which payment options people say they actually use in different age groups.

Second, this study shows that users talk more about regulation, BankID and 'the system' than about open banking in technical terms, but it does not test how specific messages or design choices affect trust. Future studies could examine whether simpler legal language, clearer explanations of data use, or clearer information about who stands behind each option at checkout make users feel more comfortable with both bank-based and non-bank payment services.

Third, this thesis focuses on generation as the main lens, while other factors such as financial literacy, migration background, income or prior fraud experiences are noted but not analysed in detail. Future research could combine generation with these additional factors to see which combinations of background and experience are more strongly linked to higher or lower trust in non-bank payment services. Finally, longitudinal studies could follow how trust in bank-based and non-bank options changes over time as new regulations, incidents or payment innovations appear, capturing developments that a single interview round cannot show.

## Appendix 1: AI contribution statement

In this appendix you shall account for any use of AI-based tools in the completion of your thesis. Briefly describe (in no more than 400 words) and account for any use of AI tools in preparation, idea generation, research, writing, illustration, coding, or the like related to the thesis. Include the following:

1. **Tools:** List all AI-based tools you have used. For example: ChatGPT, Bard, Whisper.
2. **Degree of use:** Explain to what extent you used the listed tools. Did they help you, for example, to generate ideas, edit content, generate code, perform data analysis, or improve the language in the thesis? Indicate the specific sections/chapters/subchapters that are affected.

If you have not used any AI-based tools, state this in your AI contribution statement. For example, by writing: "No AI-based tools were used in the completion of this master's thesis."

Remove the text/instructions above, and replace them with your AI contribution statement.

## Appendix 2: Interview Guide

### Introduction and Briefing

- Introduce the researchers and the purpose of the study.
- Request permission to record audio and ensure anonymity.
- Remind the participant they can skip questions or stop at any time.

### Theme 1: Everyday Payment Habits

- To start off, how do you usually pay when you shop in stores and online (e.g., card, Swish, Trustly, Klarna)?
- Are there certain situations where you prefer one option over the others, and have your habits changed over the past few years?

*Connecting: "You've mentioned several services and how you use them. I'd like to understand a bit more about how you think they work together with your bank."*

### Theme 2: Awareness and Understanding

- Before this interview, had you heard the term "open banking"? What do you think it means?
- When you use services like Trustly, Swish, or Klarna, how do you imagine the money actually moves between your bank, the payment company, and the online store?
- How comfortable or uncomfortable do you feel with other companies having access to your bank account or information to complete payments? Why?
- Do you feel you have received enough clear information about how these companies work and what protections you have if something goes wrong?

*Connecting: "Now that we've talked about how you understand these services, I'd like to hear about what goes through your mind when you actually choose between them at checkout."*

### Theme 3: Choices at Checkout and Trust

- Imagine a typical online checkout page with options like card, Trustly, Swish, and Klarna. Which option do you usually choose, and what makes you decide?
- When you look at these options, do any feel more or less comfortable or safe to you? Are there any you actively avoid?
- What kinds of problems or risks do you think about when paying online, if any?

*Connecting: "Apart from feeling safe, another part of trust is whether you feel they know what they're doing."*

- What tells you that your bank, or payment companies like Trustly and Klarna, know what they are doing and can handle payments properly?

*Connecting: "Competence is one thing. Another part of trust is how they treat you when something goes wrong."*

- Can you think of a time when something went wrong with a payment? Did the bank or the payment company help you, and how did that experience affect how you see them today?
- In practice, who do you expect to actually stand behind you and make sure you do not lose money your bank, or one of these other companies?

*Connecting: "We've talked about how they act when something goes wrong. I'd also like to hear about how honest or transparent they feel to you in general."*

- How clearly do you feel banks and payment companies explain things like fees, terms, and what happens with your data? Do you read this information, or just click through?

*Connecting: "Thank you, that gives a good picture of what makes different options feel trustworthy. Let's finish by summarising."*

#### **Theme 4: Wrap-up Comparison and Trade-offs**

- Thinking about everything we have discussed, how would you summarise the main differences in how you trust your bank compared with options like Trustly, Swish, or Klarna?
- In a typical online purchase, what matters most to you: security, convenience, speed, control, or who is responsible if things go wrong?
- Which payment method do you prefer for bigger, middle, or smaller payments?

## Appendix 3: Codebook

| No. | Short code | Code Family                       |
|-----|------------|-----------------------------------|
| 1   | IPT1       | Immediate account deduction       |
| 2   | IPT2       | Preference for full payment       |
| 3   | IPT3       | Debit over credit                 |
| 4   | IPT4       | Direct bank transfer comfort      |
| 5   | IPT5       | Immediate clearing as control     |
| 6   | IPT6       | Paying now avoids uncertainty     |
| 7   | IPT7       | Swish as secure immediate payment |
| 8   | IPT8       | BankID as extra security layer    |
| 9   | IPT9       | Record of approval reassurance    |
| 10  | IPT10      | Speed as trust signal             |
| 11  | IPT11      | Apple Pay convenience             |
| 12  | DPBR1      | Pay-later hesitation              |
| 13  | DPBR2      | Hidden fee suspicion              |
| 14  | DPBR3      | Interest charge confusion         |
| 15  | DPBR4      | Installment complexity            |
| 16  | DPBR5      | Forgetting future payments        |
| 17  | DPBR6      | Credit cycle avoidance            |
| 18  | DPBR7      | Loss of spending overview         |

|     |        |                                             |
|-----|--------|---------------------------------------------|
| 19  | DPBR8  | Overspending through BNPL                   |
| 20  | DPBR9  | Behavioral shift away from Klarna           |
| 21  | DPBR10 | Delayed payment feels risky                 |
| 22  | DPBR11 | BNPL useful for specific purchases          |
| 23  | DPBR12 | Repayment tracking burden                   |
| 24  | GTD1   | Older cohorts prefer immediate deduction    |
| 25  | GTD2   | Older cohorts trust established banks       |
| 26  | GTD3   | Older cohorts value visible verification    |
| 27  | GTD4   | Older cohorts see friction as safety        |
| 31_ | GTD5_  | Younger cohorts normalize digital payments_ |
| 32_ | GTD6_  | Younger cohorts rely on mobile ecosystems_  |
| 33_ | GTD7_  | Generational split in trust cues_           |
| 34_ | GTD8_  | Older users interpret caution positively_   |
| 35  | DRSN1  | Bank as ultimate safety net                 |
| 36  | DRSN2  | Bank investigates suspicious transactions   |
| 37  | DRSN3  | Bank as refund recovery actor               |
| 38  | DRSN4  | Bank holds the real relationship            |
| 39  | DRSN5  | Trust in chargeback possibility             |
| 40  | DRSN6  | Fraud handling confidence                   |
| 41  | DRSN7  | Merchant dispute escalation to bank         |
| 42  | DRSN8  | FinTech as situational protection           |

|    |        |                                                |
|----|--------|------------------------------------------------|
| 43 | DRSN9  | Pause-payment as buyer safeguard               |
| 44 | DRSN10 | In-app dispute button reassurance              |
| 45 | DRSN11 | Protection depends on context                  |
| 46 | DRSN12 | Platform as buffer against seller              |
| 47 | OBDP1  | Low open banking awareness                     |
| 48 | OBDP2  | API sharing not understood                     |
| 49 | OBDP3  | Blind trust in data movement                   |
| 50 | OBDP4  | Trust without technical knowledge              |
| 51 | OBDP5  | Lack of reflection on permissions              |
| 52 | OBDP6  | Limited concern about backend processes        |
| 53 | OBDP7  | Terms and conditions avoidance                 |
| 54 | OBDP8  | Data-sharing scrutiny only when suspicious     |
| 55 | OBDP9  | Consent fatigue                                |
| 56 | OBDP10 | Data handling accepted through routine         |
| 57 | OBDP11 | Privacy concern secondary to convenience       |
| 58 | EIT1   | Trust in bank regulation                       |
| 59 | EIT2   | Government oversight reassurance               |
| 60 | EIT3   | Legality equals legitimacy                     |
| 61 | EIT4   | Institutional trust replaces personal scrutiny |
| 62 | EIT5   | Bank behind the platform logic                 |
| 63 | EIT6   | Core trust remains with bank                   |



|    |        |                                        |
|----|--------|----------------------------------------|
| 64 | EIT7   | Platforms seen as transaction layers   |
| 65 | EIT8   | Banks seen as money custodians         |
| 66 | EIT9   | Public visibility implies approval     |
| 67 | EIT10  | System-level trust in digital payments |
| 68 | EIT11  | Institutional safeguards assumed       |
| 69 | EIT12  | Broad faith in the payment ecosystem   |
| 70 | UXID1  | Frictionless checkout builds trust     |
| 71 | UXID2  | Manual entry feels outdated            |
| 72 | UXID3  | Face ID as ease and security           |
| 73 | UXID4  | Double-click payment familiarity       |
| 74 | UXID5  | Smooth device-service interaction      |
| 75 | UXID6  | Few steps equals confidence            |
| 76 | UXID7  | Checkout delay triggers doubt          |
| 77 | UXID8  | Foreign payment window suspicion       |
| 78 | UXID9  | Familiar interface patterns reassure   |
| 79 | UXID10 | Predictable design builds acceptance   |
| 80 | UXID11 | Interface normality as trust cue       |
| 81 | DFRB1  | Creature of habit behavior             |
| 82 | DFRB2  | Routine-based trust                    |
| 83 | DFRB3  | Repeated success creates confidence    |
| 84 | DFRB4  | Autopilot checkout decisions           |
| 85 | DFRB5  | No time to read terms                  |
| 86 | DFRB6  | Information overload at checkout       |
| 87 | DFRB7  | Trust replaces scrutiny                |

|    |        |                                      |
|----|--------|--------------------------------------|
| 88 | DFRB8  | Selective reading for risky services |
| 89 | DFRB9  | Familiar methods bypass evaluation   |
| 90 | DFRB10 | Digital exhaustion reduces vigilance |
| 91 | DFRB11 | Habit stronger than understanding    |

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