SauceLabs

The Testing Imperative:

How Financial Services Are Navigating Speed, Security, and Scale in 2025

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INTRODUCTION:

At the Crossroads of Testing

In financial services, trust is everything. A single failed payment, account balance calculation error, or even a slow-loading app can instantly dissolve customer trust. And with access to every financial institution on the market right in their pocket, it's as easy to switch banks as it is to order lunch.

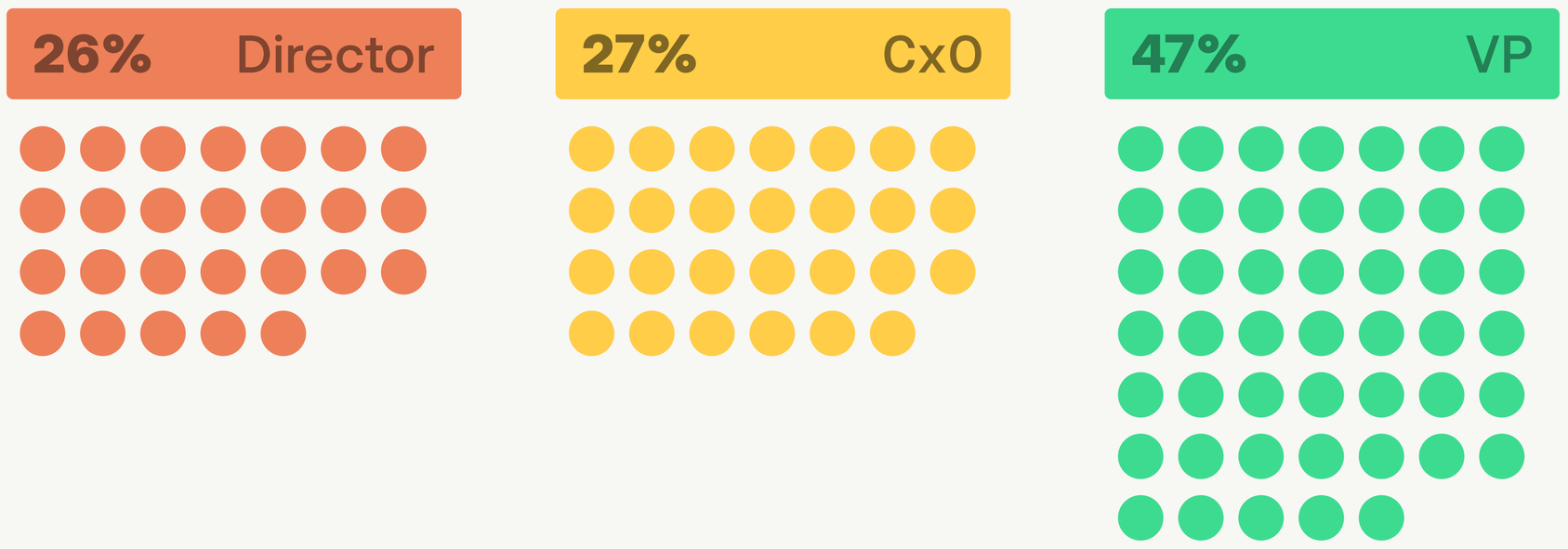
To uncover how financial institutions approach software quality today, Gatepoint Research surveyed more than 100 IT, product, and compliance leaders from across national banks, credit unions, fintech, and investment firms. The survey explored how these leaders are evolving their software testing strategies in the face of an increasingly complex, high-stakes environment.

The findings reveal an industry at a crossroads. Many organizations still rely on a manual testing approach, which reduces their release velocity and impacts their ability to scale. At the same time, there are clear signs of forward momentum, with a growing investment in automation, training, and infrastructure.

In a world where every transaction counts, the ability to deliver flawless, compliant digital experiences faster is essential for building the foundation of trust that keeps customers coming back for more. Here’s how top executives are approaching their testing strategies, along with ideas for improvement.

Who did we survey?

Between March and May 2025, Gatepoint Research surveyed 101 finance executives from across the financial services sector. All the respondents hold executive or director-level positions within their organizations.



The Current State of Testing in Financial Services

The Automation Paradox

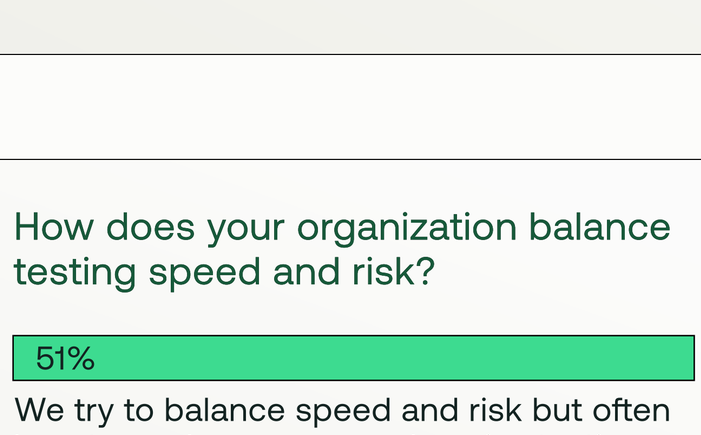
In a world where every transaction counts, the ability to deliver flawless, compliant digital experiences faster is essential for building the foundation of trust that keeps customers coming back for more. Here's how top executives are approaching their testing strategies, along with ideas for improvement.

While automation is a priority, it is far from universal. Only 4% of organizations say that their testing is fully automated. Instead, the majority (54%) rely on a hybrid approach that leverages automation in key areas but still heavily relies on manual testing processes.

Manual testing has its own place and value and cannot be replaced in some cases. Fully automated testing is not possible or desirable. The real question is, how much automation.

Because their testing strategy often must balance complex legacy systems, strict compliance requirements, and sensitive data handling, many financial institutions feel that manual testing provides an extra sense of security and control. This creates an 'automation paradox' where organizations leverage automation to drive efficiency, only to face manual bottlenecks that ultimately impact coverage and release velocity.

How would you characterize the level of automation in your testing process?

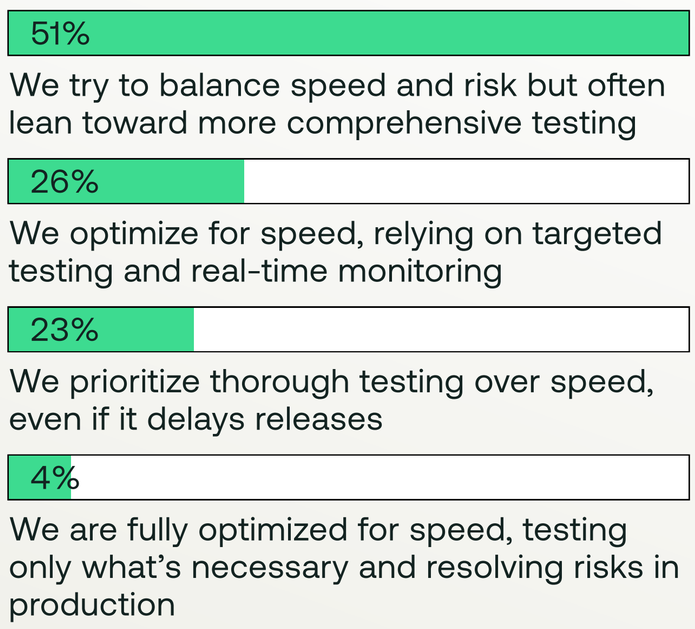


The Speed vs. Security Dilemma

This hybrid approach of automation and manual testing reflects how financial services organizations balance speed and risk. Just over half (51%) say they aim to strike a balance between the two, with a preference for comprehensive testing. Nearly a quarter each say they either optimize for speed (26%) or prioritize testing thoroughness (23%), demonstrating that there is no single approach to testing.

That said, there is an approach no financial institution wishes to pursue: 0% of organizations say they are fully optimized for speed. This approach, common in other industries, includes testing only what is necessary and resolving risks in production. This approach might work for a free ad-supported mobile game, but when a customer's money is on the line, the need to safeguard customer trust means speed can wait.

How does your organization balance testing speed and risk?

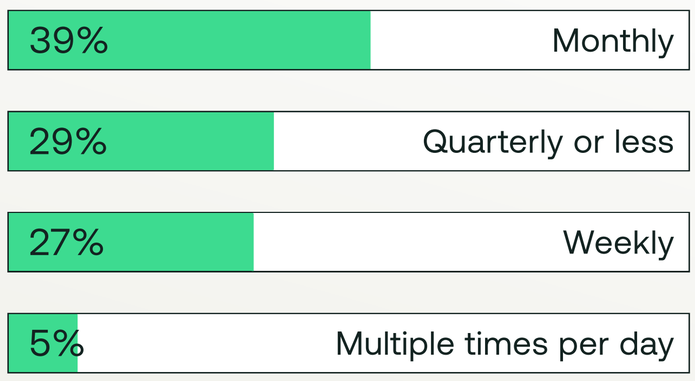


Release Cadence Reality Check

In some industries, multiple software update releases per day are typical. But the balance between speed and risk that financial institutions pursue means their release cadence is more often measured in weeks or months. Most organizations release monthly or slower, with only 27% managing weekly deployments and 5% multiple times per day.

While a slower release cadence can help reduce risk, it also limits the ability to respond quickly to evolving customer expectations, new features from faster-moving competitors, or emerging security threats.

How often does your team release updates to production?



The Human Capital Challenge

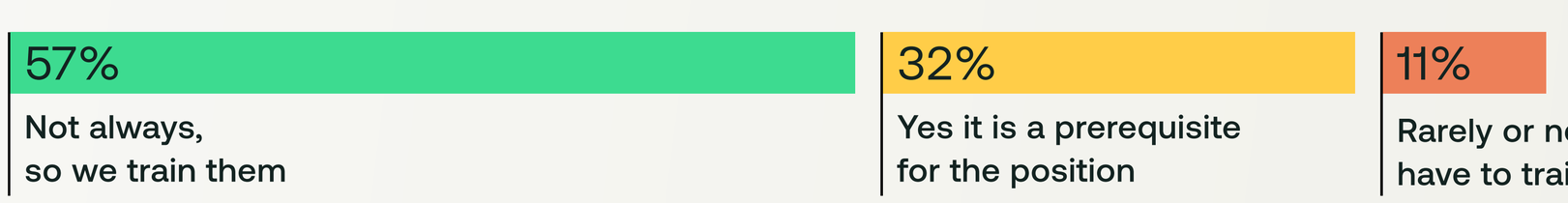
The Skills Gap Crisis

With most financial institutions relying on a mix of automation and manual testing, the quality of their staff is essential to their app quality. However, the vast majority of financial services organizations face a significant skills gap in their testing teams.

More than half of financial institutions (68%) must train some, if not most, of their new entry-level and junior software testers before they have the skills necessary for the position. In a highly-regulated environment like financial services, the learning curve for the specific testing skills required to achieve compliance means hiring a new tester is only the beginning of filling a capacity need.

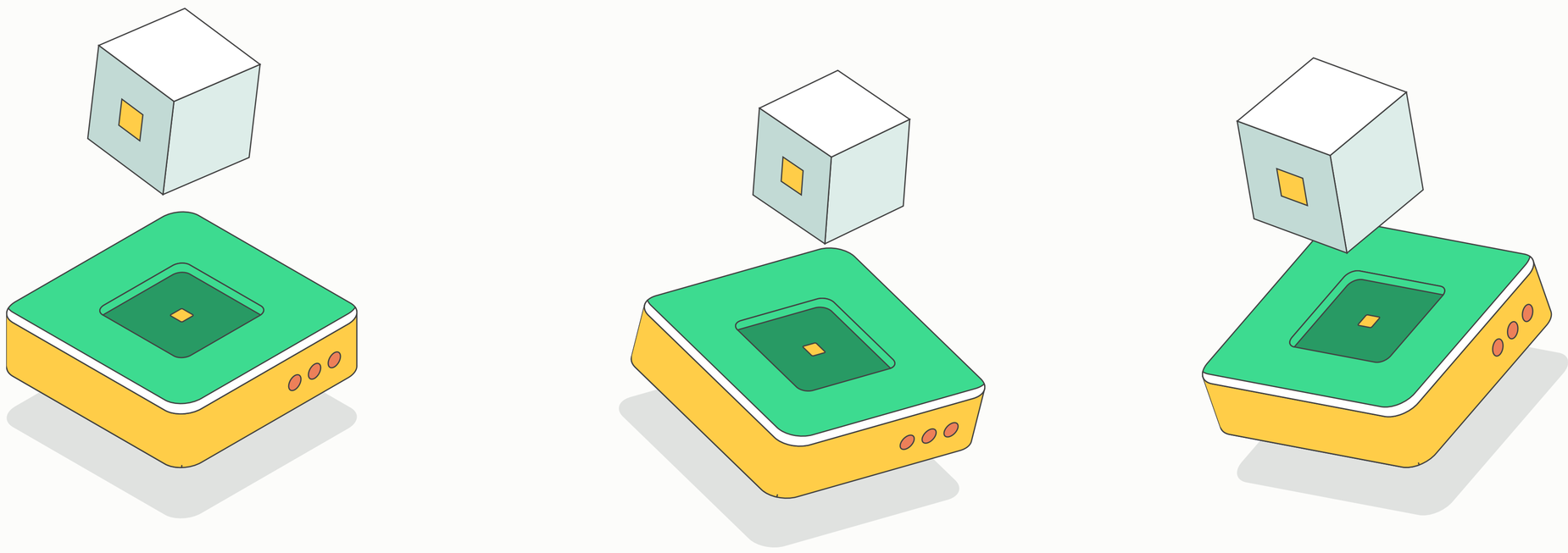
Are your entry-level and junior software testers adequately equipped and skilled for the position when hired?

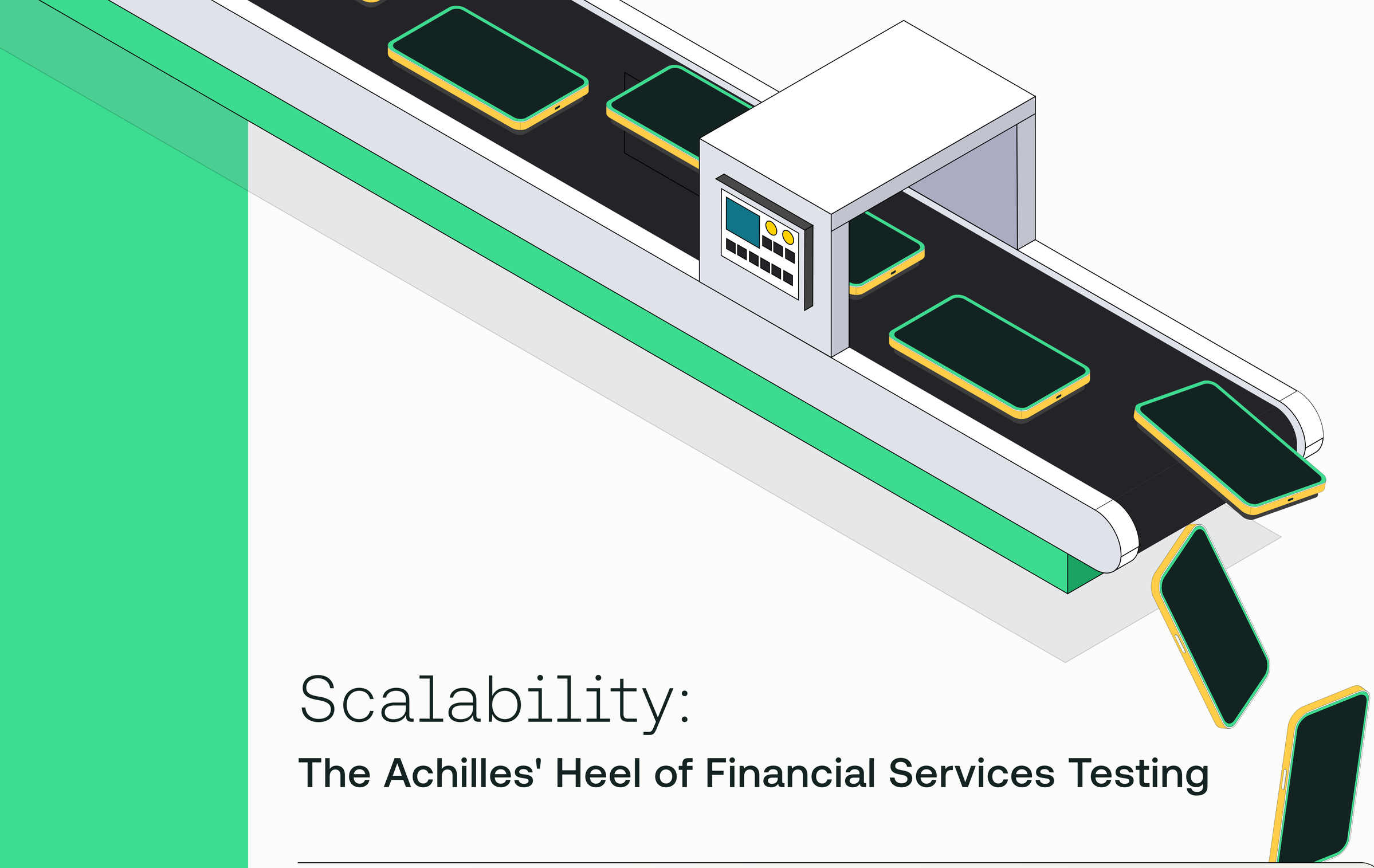
The majority of surveyed organizations are undertaking an onboarding investment when it comes to new hires, as readiness is a prerequisite for only 32%.



Investing in training and development can help close the skills gap, but it comes at a cost. Juniors are in part paid to learn skills instead of always executing. At the same time, every minute a senior-level tester spends training a new hire is time taken away from high-value work, further slowing release velocity.

To bridge the skills gap, organizations can leverage automation to provide more coverage and catch more issues so juniors can focus their training on identifying and remediating high-value issues instead of basic errors. This allows new hires to offer more value sooner while keeping the testing team working at a high capacity even when training new hires.





Scalability:

The Achilles' Heel of Financial Services Testing

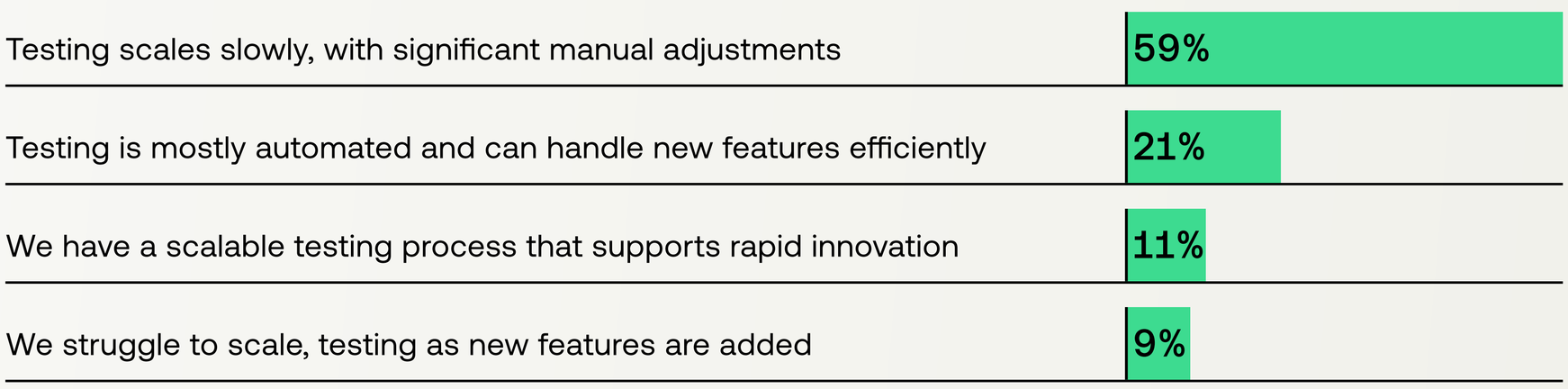
The Manual Testing Trap

Manual testing can create a significant drag on any financial organization seeking to scale its testing strategy. Nearly six in ten respondents (59%) say that they have to scale their use of testing slowly while requiring significant manual adjustments, with another 9% saying they struggle to scale testing as new features are added. With manual testing, every new feature or update adds to someone's workload, resulting in testing cycles that can last weeks or months.

By comparison, 21% say their testing is mostly automated, while 11% have a scalable testing process. These organizations can handle new features efficiently and support rapid innovation to accelerate release cycles and maintain quality even as complexity increases.

How do you ensure your testing can keep up with the growth of new features and platforms?

Scalability remains a challenge: 59% report slow testing growth with manual adjustments. Just 21% have mostly automated systems that can adapt efficiently, while only 11% have a truly scalable process and 9% struggle to keep up altogether.



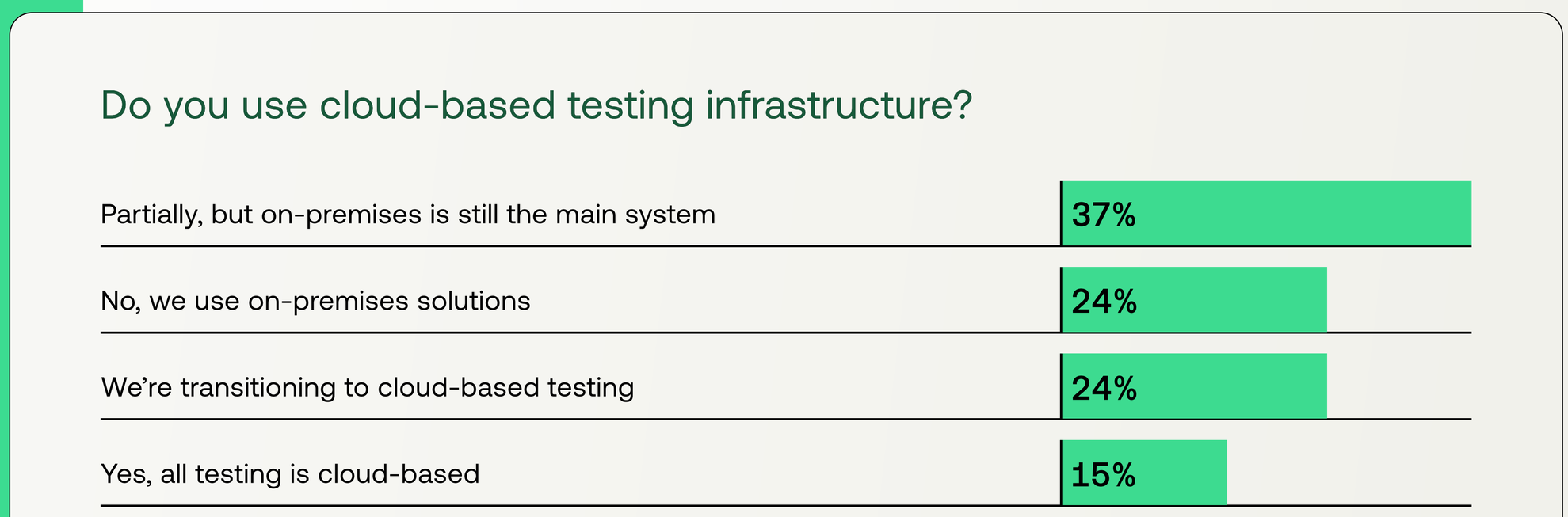
Scalability:

The Achilles' Heel of Financial Services Testing

Outdated Infrastructure Slows Testing Progress

Another thing holding scalability back is testing infrastructure, with only 15% of financial organizations leveraging a cloud-based testing infrastructure for all testing. These organizations can spin up a test environment in minutes, test on hundreds of device/browser combinations, and scale coverage to meet the demands of major releases. Cloud platforms also improve collaboration across the organization while reducing or eliminating the need to maintain testing infrastructure.

Meanwhile, the majority of financial organizations either rely entirely on an on-premises solution (24%) or use cloud-based testing only partially while leveraging on-premises as their primary system (37%). With their reliance on on-premises testing infrastructure, these organizations face continuous scalability, speed, and flexibility limitations. Expanding test coverage often takes significant time and investment, which is more costly and slower than the instant provisioning possible through a cloud-based testing platform.



What’s holding these organizations back from making the switch? Strict compliance requirements, data residency rules, and security concerns may make these institutions cautious about moving sensitive testing workloads to the cloud. The need to integrate with complex, decades-old legacy banking systems means some organizations may take an “if it isn’t broke, don’t fix it” approach.

Still, expect to see more financial institutions migrating their testing to the cloud sooner than later, especially as more and more of their core systems and new applications also run on the cloud. 24% of organizations say they are currently in the process of transitioning to cloud-based testing. For many financial institutions, the question won’t be whether to migrate, but how to do so in a way that unlocks speed and scalability without sacrificing compliance.

Security is Non-Negotiable

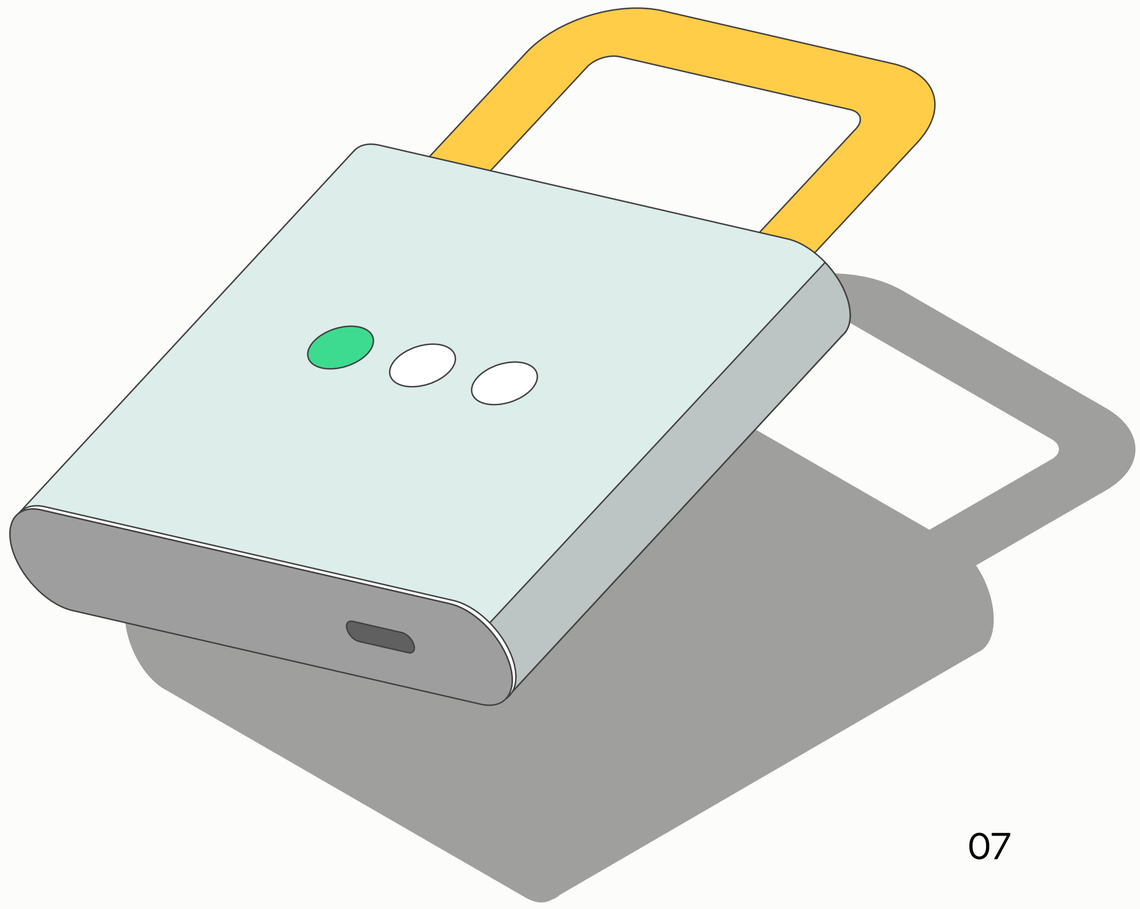
Few industries take security more seriously than financial services, which certainly extends to the security standards financial institutions hold their vendors to. Nearly nine out of ten hold their vendors to ISO standards, either through direct certification (44%) or via ISO-compliant cloud providers (44%).

Only 12% don’t require their vendors to have ISO compliance or certifications. Possible factors include reliance on long-standing vendor relationships, internal security audits deemed equivalent, or the belief that existing controls already meet customer and regulatory expectations.

To what level of security standards do you hold vendors to build customer confidence?

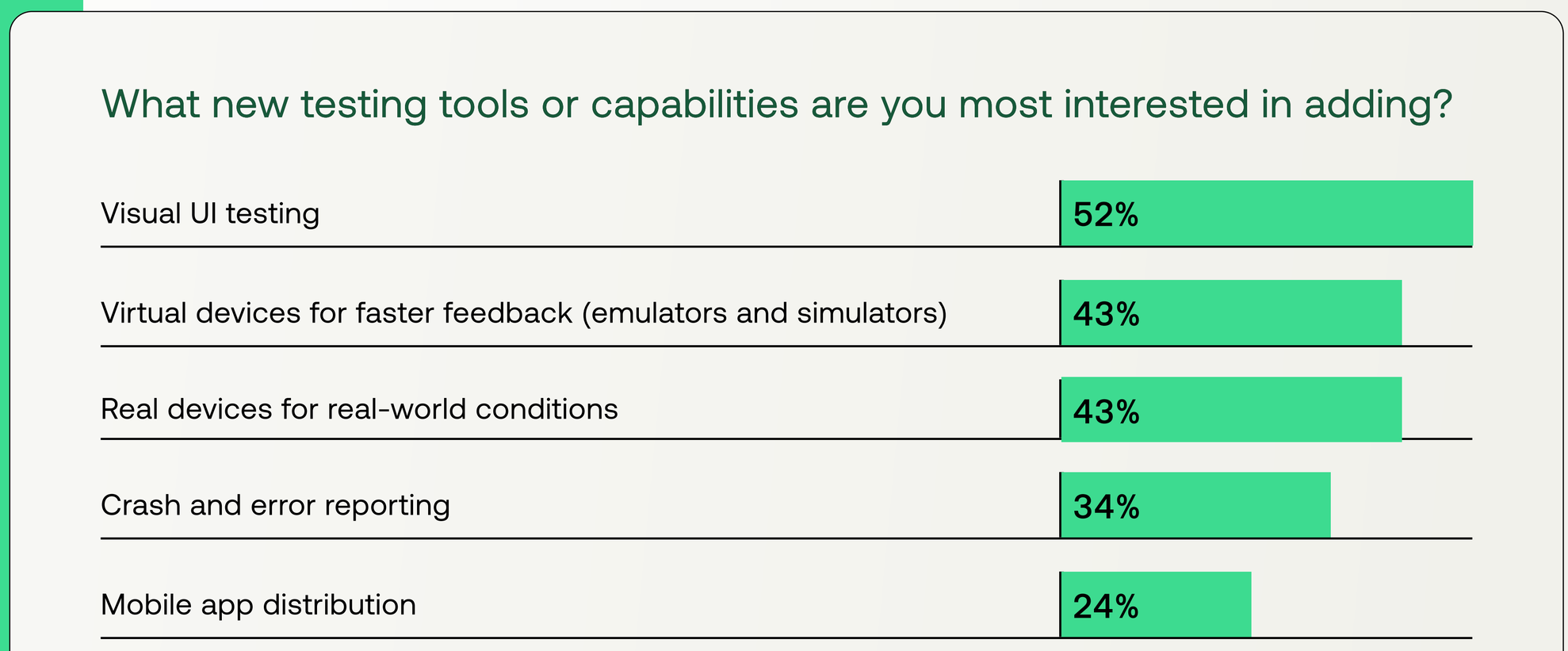
Robust vendor security is essential for building customer trust. After all, a breach due to a vendor still means it's your customers that get impacted, along with your name that ends up in the headlines. By holding vendors to ISO standards, financial institutions can ensure that every partner in their technology stack shares the same commitment to protecting customer data.

This creates a competitive advantage over organizations with more lax vendor security requirements that are more likely to experience incidents. The key is to balance security with speed so that this competitive advantage isn’t squandered by hampering innovation.



The Future of Testing:

Technology Priorities and Investments



Visual UI Testing

More than half (52%) are interested in visual UI testing, which allows financial institutions to automatically find and fix visual errors and inconsistencies across web browsers, mobile web, and native mobile apps early in the development cycle. This helps deliver a consistent, trustworthy user experience while ensuring apps maintain compliance with accessibility requirements like the European Accessibility Act.

Virtual and Real Devices

Financial institutions are equally interested in leveraging virtual devices (43%) and real devices (43%) for testing. With virtual devices, organizations can use emulators and simulators to run tests at scale early in the development process, making them ideally suited for continuous integration (CI) pipelines. Real devices enable testing under real-world conditions to capture any unique issues that may impact a subset of users.

Error Reporting and Mobile App Distribution

Financial institutions are also focused on accelerating their post-release feedback loop, with 34% exploring crash and error reporting that allows them to identify and resolve issues faster after release. Nearly a quarter (24%) are interested in mobile app distribution tools that can help get new builds into the hands of beta testers faster.

Strategic Implications and Next Steps

The survey findings tell a clear story:

While financial organizations have made great strides in modernizing their testing practices, significant gaps in strategy, talent, and technology remain. But with customers becoming even more demanding, and the cost of failure only getting higher, now is the time to prioritize test automation.

While full testing automation can feel like a distant goal, automating specific testing use cases is something that almost every financial institution can do quickly. By automating high-impact areas such as regression testing and cross-browser/device validation, you can begin to reduce the defect escape rate, time-to-release, and test execution speed, creating the ROI you need to spur further automation while removing bottlenecks.

Even when pursuing automation, don't forget your people. A long-term investment is essential to overcoming the skills gap. Use technology to automate rote, low-value work while creating continuous learning and development programs that upskill testers to handle high-value initiatives. This can include partnering with educational providers or certification bodies and building an internal center of excellence to standardize and promote best practices.

To modernize infrastructure, a phased approach to cloud migration can help overcome compliance and security concerns while unlocking scalability and innovation. An automated test platform makes it easier to leverage testing automation earlier in the SDLC, which can create the foundation for end-to-end test automation once security and compliance are assured. When selecting a test platform, look for one that meets the stringent security requirements of financial organizations, including KY3P, SOC 2 Type II, SOC 3, ISO 27001, and ISO 27701.

Conclusion

While testing maturity remains uneven, financial organizations are trending towards modernizing their testing to deliver secure, compliant, and seamless digital experiences.

By strategically adopting automation, building the skills of their workforce, and embracing a cloud-based infrastructure, financial institutions can deliver digital experiences capable of keeping pace with today's customer expectations and the coming AI revolution.

The institutions that succeed and thrive will be those that use testing in a way that balances innovation with risk management to ensure that every release strengthens customer trust.

As a secure, compliant, and reliable testing partner for Finserv companies, Sauce Labs helps ensure you deliver a seamless mobile banking and financial experience to your customers thanks to extensive test coverage throughout development.

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About Sauce Labs

Sauce Labs is the leading cloud-hosted platform for automated testing of web and mobile applications, enabling fast delivery of high-quality software across the development lifecycle. Founded by the creators of Selenium, Sauce Labs has been the testing leader for over 15 years and now runs over 1 billion tests annually. Trusted by Fortune 500 companies like Toyota, Walmart, Verizon, and Fidelity Investments, its scalable, secure platform supports testing across thousands of operating systems, browsers, and devices while meeting the highest compliance standards.

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