REIMAGINING CUSTOMER ONBOARDING FOR BANKS

Intelligent Automation in the time of COVID-19

JULY 2020

ABOUT THE STUDY

Banks across the globe are reeling under immense operational and financial pressures. These inefficiencies have only been exacerbated by COVID-19 across critical processes such as Customer Onboarding, a highly-nuanced and complex manual process, involving several sub-processes. Customer Onboarding is also the first touchpoint for customers, underscoring the importance of a smooth and efficient process.

IMPACT OF COVID-19 ON GLOBAL BANKS

PROFIT EROSION	PILING UP OF DEBT	SOCIAL DISTANCING NORMS	RISE IN ONLINE BANKING	SURGE IN CONTACT CENTER VOLUME
58% expected profit decline for banks in 2020	$150Bn debt expected in March in the US	Workforce stationed in COVID-19-free areas	63% US citizens willing to try digital banking	40%+ rise in call center volume for large US banks

CHALLENGES IN CUSTOMER ONBOARDING AND RAMIFICATIONS OF COVID-19

	CHALLENGES	IMPACT OF COVID-19
VOLUME AND COMPLEXITY OF DOCUMENTS	10-25 documents processed by multiple departments	Hard copies of documents inaccessible; banks developing protocol for digital documents
REGULATIONS AND GUIDELINES	$3.7 Bn+ worth of fines paid since 2018 globally, for onboarding compliance lapses	After past financial crises, regulatory scrutiny was heightened for AML compliance; banks should expect that to be true in this case, too
TIME-CONSUMING	32 days is the average time taken to onboard a corporate banking customer	Limited staff and remote work expected to increase onboarding time further
HIGH CUSTOMER CHURN	40% customers abandon the onboarding process	Excessive regulations, increased time to onboard and limited banking staff expected to amplify churn

INTELLIGENT AUTOMATION HELPING BANKS TACKLE COVID-19 SETBACKS

Banks can leverage Intelligent Automation to address more than 60-80% of the manual work involved in Customer Onboarding by shifting the tedious tasks from people to bots. Banks that have automated their Customer Onboarding process — including critical areas such as KYC and AML — are showing greater resilience during COVID-19.

CUSTOMER ONBOARDING USE CASES RIPE FOR AUTOMATION

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Identity Verification	Name Screening Alert Review for Sanctions & PEP	Adverse Media Monitoring (Negative News)	AML and OFAC Risk Assessment	Customer Risk Rating
Ultimate Beneficial Owner	Source of Wealth	Foreign Account Tax Compliance Act (FATCA) Screening	Legal Entity Structure	CTR Exemption Validation

ADVANTAGES OF LEVERAGING INTELLIGENT AUTOMATION IN CUSTOMER ONBOARDING
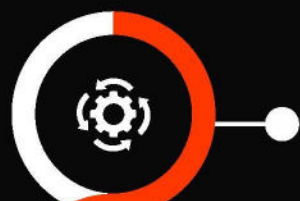
Increased Efficiency
60-70% reduction in onboarding time

Increased Accuracy
70-80% increase in accuracy
75-85% reduction in false positives

Real-time Compliance with Regulations
~2X times faster data corroboration

Future-proofing against COVID-19
Bots and remote staff working jointly to ensure Business Continuity during COVID-19 and similar crises in the future