

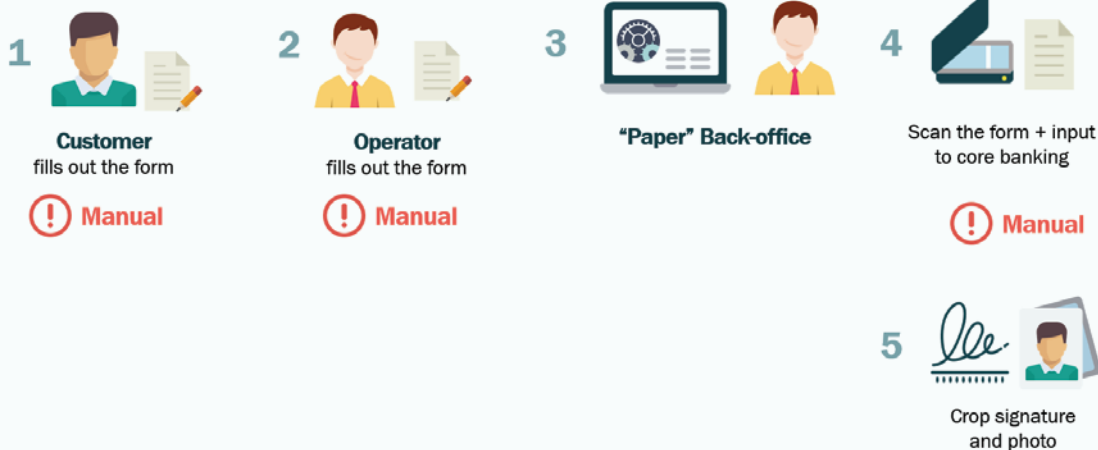
Digital onboarding for financial services

Today, nearly every aspect of our lives has been touched by technology, and banks are no exception. Bank clients expect the system to move away from traditional, manual onboarding to fast, digital account opening. It is very important to keep in mind that the process of onboarding new customers is the bank's first opportunity to win them over and set the stage for the entire relationship going forward.

What is client onboarding?

Onboarding is a complex processes that require identification and verification of a potential customer's identity with high level of security and low level of risk.

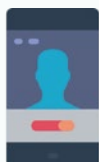
Traditional client onboarding



Verifying people's identity has traditionally been a face-to-face affair. However, today it has become questionable when facing many challenges and demands expressed by bank clients. Any customer who has tried to open a bank account or become a new client knows how unpleasant the experience can be: either following paper-based onboarding processes or online when being redirected to a local branch.

Weaknesses of traditional onboarding

Access to services



required customers to take their physical ID into a branch

Time consuming



frustrating for customers, costly for banks

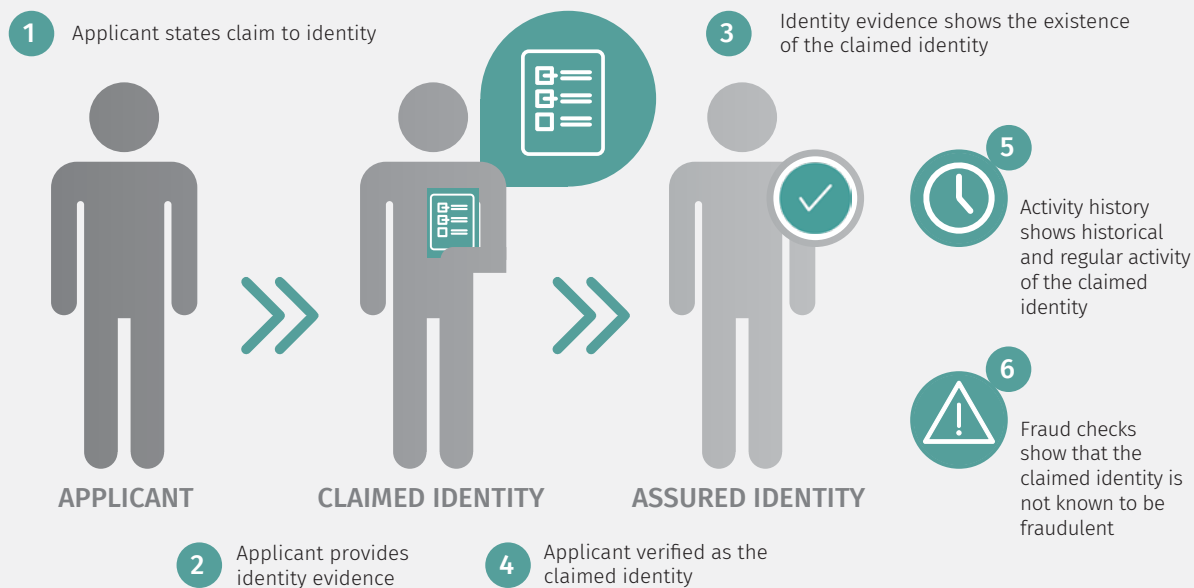
Quality of KYC procedures



security is questionable
- human error and tampered ID credentials

Identity Verification & Proofing

As fraud increasingly becomes digital and global, banks must undertake additional client due diligence measures, including identifying and verifying the identity of their clients.



Source: Good Practice Guide No. 45 - Identity Proofing and Verification of an Individual, July 2014 Issue No: 2.3, CESG

From manual to digital onboarding

Today situation and habits in banking are changing:

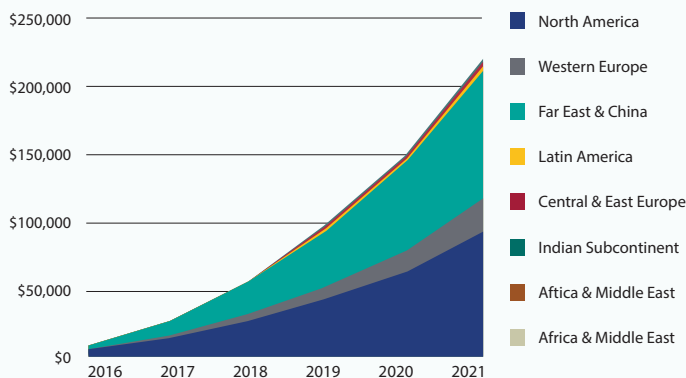
- KYC process has broken free of branch-based, face-to-face meetings. Banking providers can now use biometrics to verify a customer's identity — even remotely, using videoconferencing.
- Biometrics are used to verify a customer's identity. By 2020, 1.9 billion bank customers will adopt biometrics for financial services (Acuity Market Intelligence, 2017).
- Customers manage the majority of their daily tasks directly from their devices. According to research from CACI (2017), consumer visits to retail bank branches are set to drop 36% by 2022, with mobile transactions rising 121% in the same period. And in the next five years, CACI estimates that 88% of all interactions will be mobile.

Digital Know Your Customer (KYC) approach

Automated biometric verification technologies is the key to making KYC faster and more convenient for customers.

Meanwhile, mobile apps and video conference are a good alternative to in-branch KYC. Recent studies show that the level of engagement that mobile apps enable is incredible, so the race is on for banks to develop a seamless digital customer experience, particularly when onboarding new customers.

When it comes to biometric-driven KYC, fingerprint recognition is the most preferred method of authentication in the financial industry. 81% of consumers consider it as the most secure biometric authentication method, followed by iris scanning (76%).



36% by 2022

Consumer visits to retail bank branches will drop
Ref: CACI, 2017



121%

Mobile transactions will rise. 88% of all interactions will be mobile

Value of biometrically verified smartphone payment transactions, in millions

Opportunities of digital onboarding

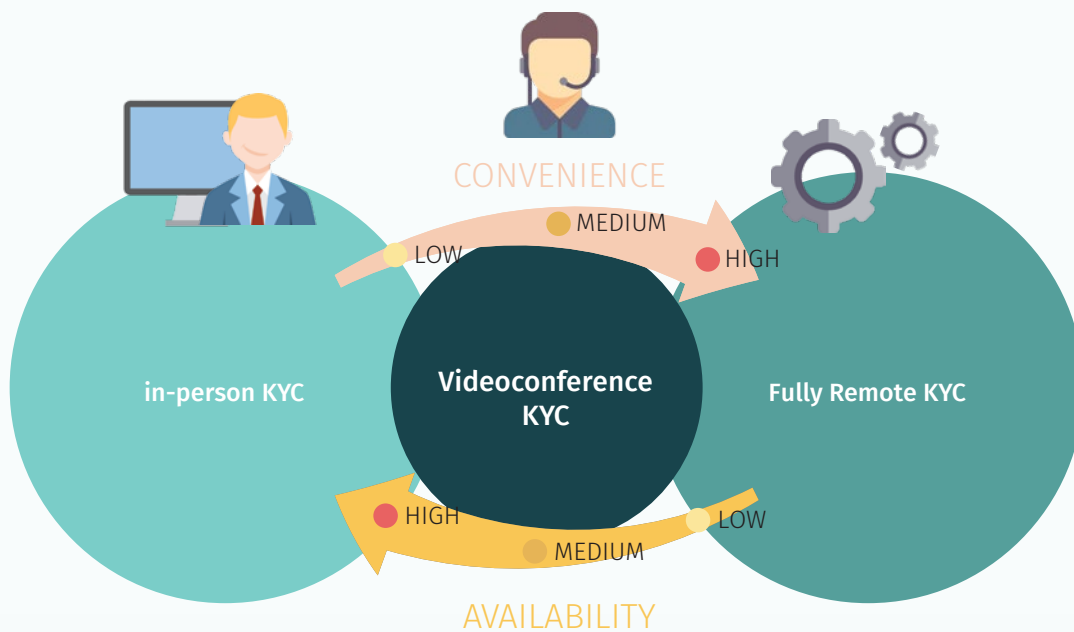
Digitizing the onboarding steps enables banks and financial organizations to transform these challenges into opportunities. The main advantages of onboarding include:

- Improved customer experience
- Faster and more flexible access to banking services
- Perceived as an innovative and open-minded bank
- Possibility to switch between in-branch and online onboarding
- Onboarding in a matter of minutes
- Enhanced digital experience
- Reduce paper usage and document loss
- Reduced cost-to-serve
- Improved operational effectiveness and efficiency
- Reduced failed client acquisition

Videoconferencing KYC solution

More and more banks in Europe offer remote identity verification with videoconferencing - an automatic biometric face recognition. This system has real potential. It can combat many of the model's security frailties and enable banks to embrace this model as a stepping stone toward the delivery of a fully remote KYC solution.

By replacing human judgement with biometric identity technologies, higher levels of verification accuracy can be achieved in a fraction of the time.



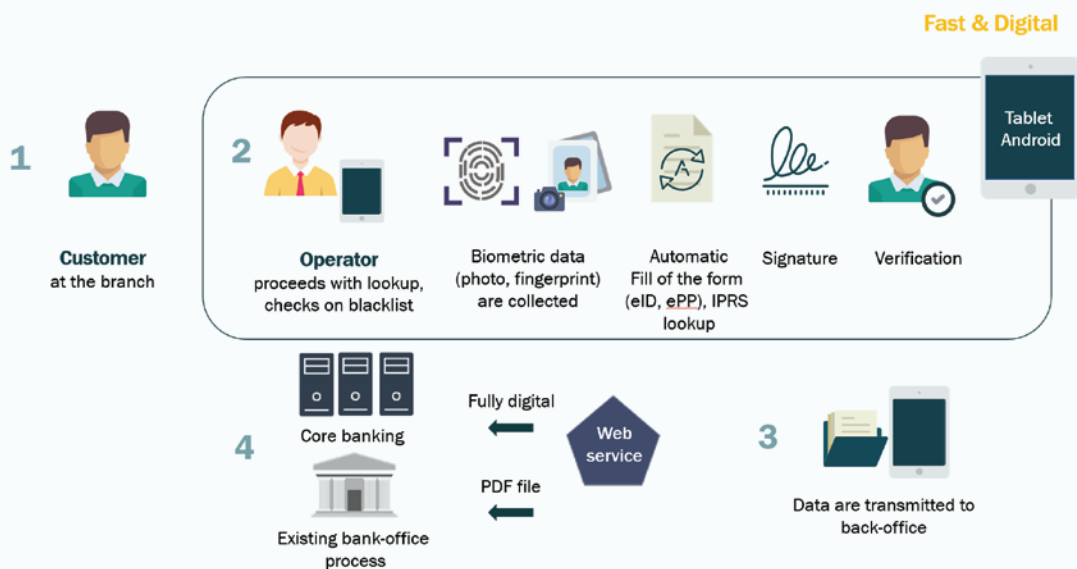
Onboarding process powered by X Infotech solutions

There is a greater need to focus on a "client-centric" approach. The onboarding process needs to be smart and flexible for banks to stay competitive and provide no less than seamless client's experience. X Infotech is there to help you to provide an entirely digital onboarding experience via mobile or other devices.

Onboarding



Onboarding with Android tablet



Hardware partners of X Infotech: Copernic, Credence ID