

# A Better Way to Onboard Customers

Elevating Customer Experience  
in Financial Services with  
Intelligent Document Processes



## Overview

Customer expectations of technology in financial services are high. Possibly too high. The phenomenal advances in mobile technology over the past decade mean that customers are accustomed to having almost everything at their fingertips. As consumers, we take it for granted that we can set up payments, check mortgage balances or even pay in a cheque in just a few seconds from our mobile phones. It follows that many customers also assume that joining a new bank or applying for a mortgage, loan or insurance policy, will be just as easy.

As Gartner summarised in a recent report: “Financial services providers must remember that, from customers’ viewpoint, onboarding is a necessary evil to get to their ultimate goal of a desired financial outcome or increased business success through using bank products and services.”

## Onboarding – a Precarious Process

Anyone involved in customer onboarding, particularly in a financial services organisation, will be only too aware that the reality is very different. Aside from the credit checking requirements, the anti-money laundering (AML) and know your customer (KYC) regulations involve a raft of checks and controls that are frequently still handled manually. This makes the process of onboarding a cumbersome and often frustrating experience. At present, it can routinely take up to six weeks. The hassle and the wait mean that many customers – no matter how potentially profitable – will simply abandon the process.

In our experience, the priorities for financial services organisations fall into three core categories, the “Three Cs”; Customer experience, Compliance and Cost reduction. At present, the process of achieving compliance during onboarding comes at the cost of both of the other two. A customer applying for a mortgage, for example, will be asked to present in person, or by post, a range of supporting documents to provide identity and credit worthiness. Passports, utility bills, bank statements and payslips all have to be located and presented to the mortgage provider. Each of these documents then has to be manually checked and cross-referenced before the customer finally finds out whether their application has been successful.



### Customer Experience



### Compliance



### Cost Reduction

As it stands, getting a customer over the threshold is a precarious business. One large UK retail bank reported that a staggering 60% of potential customers abandon their application when asked to present their documentation in person. If the information provided is incomplete, incorrect or inconsistent, the whole process may have to start again; another point at which people potentially drop out. And, added to all these challenges are the time and the cost to the organisation of checking every application manually. Without automation, we have a process that is expensive for the company, time consuming for everyone, and a terrible way to start a relationship with a new customer.

**Financial institutions that get customer onboarding right focus on three overarching objectives: improving the customer experience, ensuring regulatory compliance, and enhancing operational efficiency.**

Sources:

[“Overcome Typical Customer Onboarding Challenges in Retail Banking”, 7 January 2020](#)  
pwc fs viewpoint [“All aboard: Delivering the onboarding experience customers demand”](#)

## Find Out What Needs Fixing

Resolving the problems with onboarding means identifying where the bottlenecks are. For most organisations these are concentrated in three areas:

- ✓ First, there is the hassle factor for the customer providing the documentation. Asking them to post off papers, or to show up at one of the rapidly-diminishing “local” branches of a bank is placing a huge barrier in the way of new business.
- ✓ Second, relying on a manual human process to compare details on printed papers is not only slow and expensive, it’s also hugely inefficient. Employing people to read documents inevitably leads to a degree of human error, and any problems are often identified days or even weeks after the initial application, which slows the process down even further.
- ✓ Finally, in many cases, the information that is being checked is never used again. Customers are providing valuable details that could help financial organisations to offer them the right products moving forward - yet this marketing opportunity is lost entirely.

Tackling these issues is about capturing and extracting unstructured, paper-based information and converting it into structured, usable, digital data. With intelligent document processing technology, this is now within reach.

## Three Ways to Improve Customer Onboarding

Ephesoft’s technology has already reduced the onboarding process from 30 days to seven. Our use of artificial intelligence (AI) and machine learning is continuing to evolve to bring about more improvements. This is how technology can address the three main challenges:

### 1. Make the customer’s life easy

The most straightforward part of this process, which some organisations have already begun to implement, is to offer customers the ability to submit their documents electronically, rather than presenting originals. But it’s important to offer the customer a choice of ways in which to do this. Can your system



handle a mobile phone scan sent on an email? A photograph? The process needs to be as simple as possible to avoid losing the customer's motivation. And if something goes wrong – a missing document or an inconsistent address – how long will the customer have to wait to find out?

AI-based data capture technology can extract the relevant information from a digital image no matter what the format. By learning to identify specific fields on different types of documents, it can be trained to recognise all of the documentation required for a particular product, whether that's a mortgage application, a loan or a new bank account. Having identified the document, it can then set about capturing the relevant data.

## 2. Automate data checking

The next step is crucial to smooth onboarding. Your software must be able to replicate the checks and controls that would otherwise be carried out manually. The first step is often an identity check: are the name and address consistent with the name on the application? Then comes a personal information control: do the financial documents belong to the right person? And finally, the credit assessment: do the numbers on the payslips match the income

figures claimed? What is their disposable income figure based on the monthly bank statements?

To answer these questions, Ephesoft's intelligent data processing platform automatically captures, classifies, extracts, validates and exports data from the documents submitted. This data can then be analysed and assessed in a fraction of the time required for a manual process, and any discrepancies identified quickly. If a customer needs to resubmit a document, a request can be issued at once.

## 3. Add context

By capturing the data from "two dimensional" documents, whether on paper or in electronic format, you are also gathering actionable intelligence about your customers. This adds enormous value to the onboarding process. The information gathered allows you to build a profile of your new customer, enabling you to offer them the right products throughout their lifecycle with your organisation. Furthermore, the use of AI to identify personal information such as names and addresses enables you to make correlations between new and existing records, identifying which applications are from current customers. In this way, you can avoid the all-too-common problem of multiple records for a single customer.





## It's Already Working

Ephesoft technology is already simplifying the onboarding process for mortgages, loans and even current accounts and is in place with several top tier financial organisations. We've seen increases in productivity of up to 400% in the financial services sector, but the technology is also being implemented in other sectors such as manufacturing and healthcare. The average improvements in processing time for documents range from 50% to 80% across the board.

Many of our customers are now exporting data captured from onboarding documents into other applications such as CRM or ERP systems. Here, in a structured format, any personal information can be managed centrally according to GDPR or other regulations. This also means that any customer requests, such as access to their records or the "right to be forgotten," can be actioned easily.

The vision of seamless onboarding for customers doesn't need to be a fantasy. It's already possible to integrate the paper records held by your customers into the world of modern financial services. In terms of the three Cs, your customer experience is drastically improved, your compliance obligations met efficiently, and your costs cut dramatically. And on top of everything, AI is turning dull compliance details into valuable marketing data.

For more information, visit us at [ephesoft.com](https://ephesoft.com). To request a free trial, [sign up](#) today.



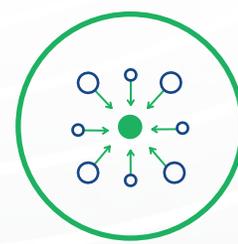
Accurate classification and separation



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Months to ROI



Centralized Data

### United States HQ

+1 (949) 335-5335  
info@ephesoft.com

Ephesoft, Inc.  
8707 Research Dr.  
Irvine, CA 92618  
United States

### United Kingdom

+44 (0) 1184665000  
info.eu@ephesoft.com

### Australia

+61 2 9056 7490  
info.au@ephesoft.com

### Germany

+49 6126 5503510  
info.eu@ephesoft.com

### Italy

+39 (02) 8088 6345  
info.it@ephesoft.com

### France

+33 1 8288 4002  
info.eu@ephesoft.com

### Singapore

+65 3163 5499  
info.asean@ephesoft.com