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Whatever happens with regulation and disruption in Financial Services, the customer experience will always be key

By Bill Safran, CEO of Vizolution

As financial services firms face up to today's colliding disruptive forces, I'm often asked to look into my crystal ball and describe how I see the industry changing over the next 20 years. In my view, it's a future where the customer remains front and centre, and where artificial intelligence (AI) - while playing a pivotal role - won't be the be-all and end-all.

Why do I say this? Going forward, it's clear that the key to success for financial service firms will be an ability to turn disruption to their advantage. A key part of this will be using disruptive technologies to create the best possible customer experiences. But this won't just mean entrusting everything to AI bots.

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Instead, it'll require the ability to respond to specific customer preferences while striking a fine balance between offering high-tech and high-touch experiences. So those viewing AI as the holy grail for serving customers will be disappointed. Because customers will migrate to digital channels that offer a human component, especially when there's more at stake – for example in high-value and complex journeys such as mortgage applications.

This is a message that I think many of the big banks are yet to take on board. If you think about the customer journeys they offer, these often involve forcing customers through fractured processes based around what's good for the bank rather than what's good for the customer. So, at Vizolution we've flipped it and said: "Customers are at the centre of everything!" With this philosophy, we help banks engage better with customers via any and every channel - through customer experiences designed around customer need rather than business operations.

What does this mean in practice? A great example is the concept of the "bionic customer contact agent", who, through the use of technology, is able to digitally share screens, display information, exchange documents and data, and sign agreements remotely. Capabilities like these give customers an experience that's superior to any they've had before. Banks utilising our CX tech typically see a 20%+ improvement in customer satisfaction, 25% increase to conversion rates, and 50% reduction in transaction times.

However, in financial services you not only have to delight customers - but also comply with regulations. And this raises some interesting issues. We can all see how regulation is enabling disruption in financial services - and how it interplays and collides with other factors like technology, funding, talent and ease of switching. But for us at Vizolution, it's the collision of regulation with technology that's really at the heart of industry disruption.

Why? The financial services sector moves quickly, and regulation moves in huge waves: we've already seen the impact of new financial services technology PSD2 (Payment Services Directive v2), Open Banking and more. The real question, therefore, isn't whether technology is keeping up with financial services. It's whether financial services are keeping up with technology.

The interplay between regulation and technology also goes beyond the customer experience. Today, banks are required to be the most robust of almost all organisations, which has had major implications for the sector's security and data protection. These rules affect us too, because we're a tier one and category A provider for major banks.

This means we need to show that we have disaster recovery capabilities in place, and the banks must review our policies and procedures to check how robust we are. Soon there will be further regulations on digital accessibility to ensure there are no 'digital misfits' who get left behind. These rules haven't quite hit the UK yet, but they've already been introduced in the US, requiring us to double our level of accessibility.

To my mind, this type of regulatory development underlines a key reality: that whatever disruptions financial services face, the quality and inclusiveness of the customer experience are now at the heart of the industry and will remain so. Therefore, at Vizolution we strongly believe that technologies and solutions that combine the best of high-tech and high-touch - allowing customers to enjoy all of the benefits of face-to-face interactions via remote channels - are the future.

The message is clear: In the race to digitalisation, automation and AI, banks that underestimate the human element risk being disrupted - rather than becoming disruptors.