Why banks must act now on their digital promise

Amid all the talk about banks looking to enhance their digital propositions and offer clients more via these channels, Nicholas Hacking of ERI says they need to act if they want to address the real challenges they still face – data being key among them.

It bodes well for technology vendors that banks have increasingly-pressing mobile, digital and online needs – and want to be able to propose more products and services to customers across digital channels.

But patience is essential as the banks prove slow in actually 'walking the talk'.

"Banks all say they want to do things in digital, but not many of them have done much yet," says Nicholas Hacking, director of sales at ERI.

"Many institutions have interesting ideas, but the execution has been slow."

WISH-LIST

Those banks which are serious about maintaining their competitive edge in private banking and wealth are focused on doing more in terms of mobile, online and digital channels – but also realise that they shouldn't diminish their traditional business.

Yet despite all this noise, many of them are still occupied by the need to reduce costs.

They are also grappling with the ongoing realities of their day-to-day business. Settling fund trades, payments, FX processing and, especially, client onboarding and KYC, are ongoing challenges.

What banks can do to try to reduce their costs, however, is to actually spend money in areas which focuses on increasing their IT efficiency. "Banks still face the issue of how to manage the client data," says Hacking. "Not having a coordinated system adds a lot of expense as it becomes costly to maintain and align multiple systems."

He urges them to focus on solutions which give them consistent data, stored in the right way, and kept up-to-date.

Only by adopting such an approach is it realistic that banks can meet the

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ongoing regulatory challenges and (mostly) aggressive deadlines that follow the release of new guidelines on how to implement new rules. ■

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