

# DIGITAL JOURNEY OF A CUSTOMER ONBOARDING

*Why we need such a technology for both ends?*

Digital customer onboarding emerges as the solution to the challenges in the financial industry resulting from the digitalization and globalization. Financial institutions struggle with creating a smooth digital experience for their clients while at the same time ensure the same quality, security and guarantee for their services as they did in their in-branch customer operations. Digital or remote onboarding provides advantages both for the banks, fintechs and other financial institutions and the consumers in many ways. As the FIs benefit from advancements in regulatory compliance, cost-effectiveness and time-management, consumers enjoy seamless, faster and more flexible online financial services.

## Benefits for banks, Fintechs and other financial institutions

Remote and time-saving customer onboarding possibility within minutes	Less time spent on the recruitment and the transactions	Tangible cost savings with less manual intervention
Better overall customer experience with more flexibility, user-friendliness and time-saving processes	Improved regulatory compliance and faster KYC due diligence procedures	Minimized risk of fraud and money laundering with improved ID verification and CDD processes
Employees are able to focus on high-value activities	Higher number of transactions by allowing for more new digital account openings	Increased efficiency in operational workload with end-to-end automated systems

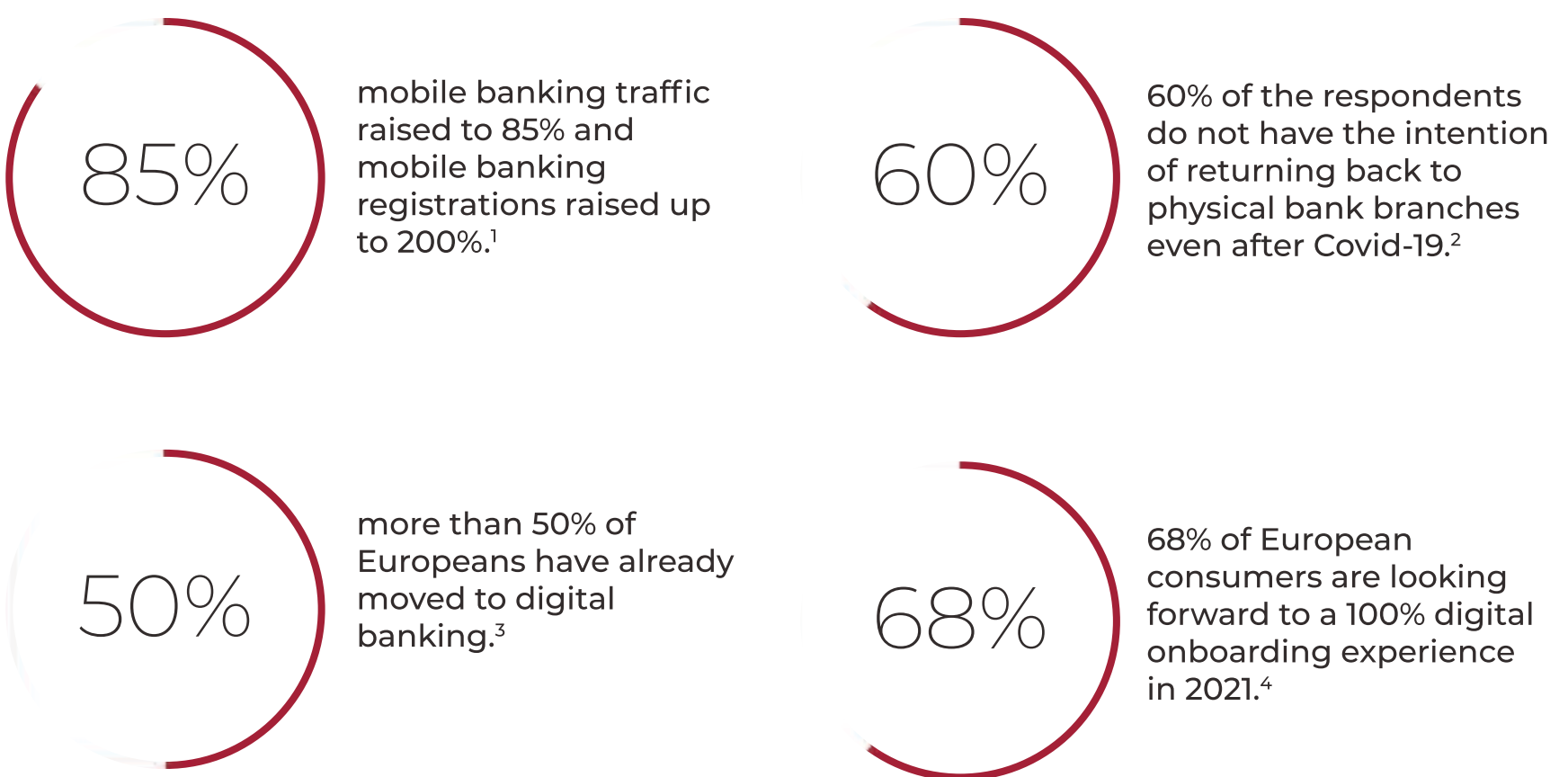
In corporate banking, client acquisition in a physical environment **may cost up to \$4.000**, whereas with digital onboarding, it **can be reduced to \$1.200**.

## Benefits for consumers in a digitalized eco-system

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Banks that started to equip their systems with the best working ID verification systems have **increased their customer acquisition by 84%**.

## Global facts on digital onboarding



Source: 1: US Fidelity National Information Services (FIS), April 2020, 2: Novantas, 3: Eurostat, 4: Signicat

## Fact Check

The rate of European consumers who are abandoning digital banking applications has risen in 2020 compared to 2019. Although there is a high potential due to the increase in mobile usage, it is important to develop user-friendly mobile applications and processes.

It is expected that European banks will search for efficient FinTech partners as a measure, in order to improve their digital onboarding services and capabilities.

## Forecasts on implementation process of the technology in Turkey

<p>In September 2020, the draft on the Remote Identification methods to be used by banks has been opened to public consultation by The Banking Regulation and Supervision Agency (BDDK). The draft suggests that video identification can be the primary method to use for id verification during digital onboarding in Turkey.</p>	<p>The Financial Crimes Investigation Board (MASAK) of Turkey published the new legislation in February 2021. According to the new legislation, a financial institution can onboard a customer without a need to face-to-face meeting (so, digitally) if that institution's business regulator allows it legally.</p>	<p>Starting from the 1st of May 2021, Turkish banks can enroll customers via digital onboarding tools while FinTechs should wait for the Central Bank of Turkey to make it clear for them since the BRSA is the regulator of the banks in Turkey but not the FinTechs.</p>
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