WHY CLIENT ONBOARDING NEEDS TO BE AUTOMATED

MARK BUESSER, CHIEF EXECUTIVE OFFICER OF IMTF, EXPLAINS THE VALUE OF AUTOMATED AND CONSISTENT PROCESSES TO HELP BANKS OVERCOME THE CHALLENGES OF THE CLIENT ONBOARDING PROCESS IN WEALTH MANAGEMENT.

One of the biggest ongoing challenges banks face today is how to cope with increased complexity due to additional and changing regulatory policies.

This is being felt in particular at the client onboarding stage within the wealth management business.

A lot of data, documents and signatures are required from the client, while the whole process has to be compliant with all regulatory requirements (KYC, FATCA, MiFID, suitability, etc).

"The response must be to strive for higher efficiency and to proactively ensure a positive customer experience, especially during this first part of what is effectively a 'sales' phase," says Mark Buesser, chief executive officer of IMTF.

Consistency and automation, therefore, is the way forward, he explains.

CONSISTENT PROCESSES

Whether onboarding is guided by an individual relationship manager (RM) or is done in a self-service way in the case of an online bank, the process is basically the same.

"The same data is required from the client and the same documents and forms, etc have to be produced and signed to make it to a valid contract," explains Buesser.

And in the background, the same compliance verifications and checks, such as KYC, risk-ratings and PEP-checks, need to happen, he adds. Even the user interface, adapted to each bank's corporate identity, must be similar, including guidance and advisory information in both cases.

The only differences are with respect to client identification and (digital) signatures, but proven and automated in both cases.

Workflow and case management in the back office are identical.

REDUCING ERRORS

Consistency can also help alleviate the high error rates that form the main obstacle to efficiency in today's onboarding processes.

Such errors happen, explains Buesser, due to the lack of respect for mandatory steps, data and documents. And

Mark Buesser
IMTF

with regard to cross-border onboarding, he says the complexity becomes too large for any individual to be expected to fully stick to the rules.

"This is where an automated and single process comes in," he says, "to be able to dramatically reduce these errors and increase efficiency, as well as reduce

the time needed for the onboarding," explains Buesser.

In his view, next-generation client onboarding solutions should cover, end-to-end, all functions in one rules-based application to support the entire relationship opening workflow.

"RMs, clients and back-office staff need to be completely guided through the whole process," he explains. "A rules engine must ensure the right data is captured and the right documents – such as pre-filled forms, contracts and welcome letters – are produced, signed and returned to the bank and more."

GENERATING CONTRACTS AUTOMATICALLY

Once all data is captured and verified, Buesser says that the most effective solution for the client onboarding process would be to automatically generate all contracting documents.

Going one step further, the signature of the client and the RM should be captured electronically, for example on a tablet, plus be fully compliant with data privacy laws such as those in Singapore, he adds. "At the end of the process, a client should receive an individualised welcome package, automatically generated, with no further signatures needed."

TAKING AUTOMATION ONE STEP FURTHER

A key objective for banks should also be the automation of risk-rating and suitability checks, via a rules-based and integrated application. "A powerful and highly-flexible rules engine can provide a full set of KYC and due diligence functions and actions to ensure secure identification, good data and complete compliance," says Buesser.

If this rules engine is integrated with an onboarding interface, he explains, then the entered data can be immediately checked in the background against any internal or external white-list, embargo list or PEP list, for example.

"This provides an evaluation in real-time and instant interaction for enhanced due diligence and undesirable clients," he adds. ∎

Fully-automated onboarding

Through ICOS, IMTF offers a fully-automated onboarding solution that provides a single point for capturing all data, documents and signatures, explains Mark Buesser.

The capturing process can be done on any device or channel – PC, tablet, web – and in any language, he says.

"The process is guided and intuitive, which makes it very effective and reduces errors and the workload. It is built as a dynamic, rules-based and context-sensitive questionnaire with only the relevant questions and information visible."

The solution also allows the convenient capturing of passport, ID and pictures, and comes with an integrated business card and ID card reader, enabling the recording of the basic customer data with one click.