

# Personalisation of the KYC process helps drive efficiency



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## HOW CAN THE KYC PROCESS BE IMPROVED?

So, KYC process right now is pretty poor. Basically, it’s just asking for a whole bunch of documentation from a client, and particularly from a private wealth client, they don’t like that. I mean, having to get IDs, corporate documents, all this stuff - yes, it’s a requirement, but it’s also something that is a pain point. Also, particularly if you’re operating not only in the private wealth space but also in, let’s say, the premier banking space, Jade Space, the Citigold space for instance, those high net worth banking relationships, then those are areas where you can also improve the customer experience through the gathering of information, as well. And one way that you can do that is not only just by asking for KYC information randomly at the beginning of a relationship and then periodically, but also following the customer through different experiences.

So what I mean is, essentially, if you have a high net worth customer, one of the things that they’re very interested in is access to luxury goods. Could you have a partnership with a luxury goods provider here that gives you access to different types of luxury goods, but also the opportunity to see a client’s ID. Also, although we’re having difficulty flying in this age, if you have a partnership with an airline, because if you board a flight you have to show your passport, when somebody gets a new passport, that information could almost be automatically updated, as part of your digital bank profile from a KYC perspective. It not only helps KYC, it can also help credit, it can also help tax information. I can know, for instance, that maybe you’ve transitioned, and you’ve become a tax resident of a different jurisdiction, so to meet my Common Reporting Standard requirement, I have to add you to another jurisdiction.

So these are all benefits that you can gain from putting the KYC process within some existing processes within the bank and bringing them together. So using tax information, KYC, credit information, marketing information, all together to bring a customer experience, and also minimize the essentially bother to a client in terms of repeatedly asking for the same data point.

## HOW DIFFICULT WOULD THIS BE TO EXECUTE?

Well, definitely difficult from a large bank perspective, if you have millions and millions of customers. I think it’s maybe less difficult for some banks where they have a more minimal amount of customers. That being said, a lot of these decisions are being driven at a head office perspective. But one of the things that we’ve seen that can give banks an advantage here in this environment is trying to merge these processes together.



One of the things that we see as a big detriment, not only is the systems - so the systems are a big problem. Can you find the right systems? But there are tools that we have and enablers that we have to essentially match off information off different systems to see if there are exceptions. So that's one way to improve the quality of some of the systems. But also because a lot of these teams are sitting in different silos. Marketing doesn't talk to anybody outside of the business. Credit isn't talking to tax. Tax isn't talking to compliance. Compliance isn't talking necessarily to the AML group. And yet the data points, if you look across them, if a bank is collecting 50, 100, 200 data points on a particular customer and you try to match them off and see whether or not some of the data points are actually the same, you'll find that, I'd say, a good 40, 50% are.

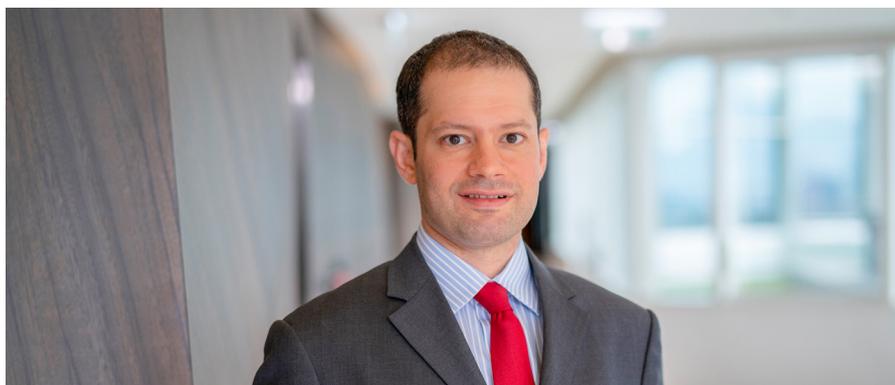
And one other problem is, is that if you have different information in the

credit system, in the tax reporting systems for CRS or FATCA versus the KYC systems, versus other compliance systems or business systems, those are things that regulators are looking for constantly because you have the information, but you aren't using it appropriately.

### WHAT ARE THE BENEFITS FROM A CLIENT JOURNEY PERSPECTIVE?

Benefits are that you know the client, that you can offer them really personalised experiences. So, you can know about their shopping habits and offer them deals. You can know about their flying habits or their travel habits, (and) offer them vacations. You can figure out how to offer them loans when they might need it. And these things can now pop up on the screen as they're logged into online banking, on the phone on the app, or even through an SMS message.

You can understand your client and what they're looking for. And so part of this is deploying a level of AI. But a lot of this, in terms of actually getting to the point where the AI or the machine learning is intelligent, is about having the right data. If you have garbage data that's feeding your machine learning or your AI systems to try to personalise the customer experience now, then you're going to continue to have garbage information and poor customer experience. Whereas if you're feeding it with the right information, because you've joined it all together and now you can get a better understanding of the client's net worth, their habits, how they're reacting, even in this environment, if they might be under stress and they need some lending, or they have some other issue, you can react to that quickly and give them that option. ■



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