

CELENT



CASE STUDY

SANTANDER UK: TAKING ONBOARDING TO THE NEXT LEVEL

WINNER OF CELENT MODEL BANK 2019 AWARD FOR
COMMERCIAL CUSTOMER ONBOARDING

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This is an authorized reprint of a Celent case study. It was prepared for Quadiant, but the analysis has not been changed. For more information, contact info@celent.com.

CASE STUDY AT A GLANCE

FINANCIAL INSTITUTION	Santander UK
INITIATIVE	Corporate Digital Onboarding
SYNOPSIS	A fully automated onboarding experience centered on the customer and employee experience, using API-based services, digital forms with e-signatures, robotic process automation, and multi-team parallel processing
TIMELINES	<ul style="list-style-type: none"> Q1 2017 — Developed and delivered the business case April 2017 — Began project Dec. 2018 — Completed IT infrastructure Jan. 2019 — Implemented project
KEY BENEFITS	<ul style="list-style-type: none"> Greatly improved customer experience, including reduced onboarding and customer data entry time Greater relationship team value add and job satisfaction Improved back office performance
KEY VENDORS	Quadient (dynamic form functionality) along with API-based services from Comply Advantage, DocuSign, DueDil, and TransUnion

CELENT PERSPECTIVE

Santander UK recognized the power of excelling at client onboarding: competitive differentiation at the beginning of the relationship, and expedited customer engagement and service utilization.

- Santander has built a cutting-edge Corporate Digital Onboarding (CDO) thanks to its comprehensive, customer- and employee-centric approach, use of dynamic digital forms, API-based services, and RPA functionality. It importantly enables multi-team parallel processing. By enabling pre-population and validation across multiple countries, it stands out on the regtech and customer experience front.
- The CDO project has achieved outstanding results, including the replacement of 39 separate paper forms which covered 11 entity types and a wide range of banking products (72 across currencies, payments, accounts, deposits, and credit cards), with one dynamic multifunctioning digital form. During the pilot phase customers have been onboarded in two days, well above the industry average.
- Santander learned several key things during the project. First, it is vital to maintain focus on reimagining the onboarding experience from the customers’ and colleagues’ perspective throughout the project. This is often complex and requires careful planning. Second, it is important to engage multiple internal and external stakeholders, adopt new

working practices, and remain determined. Third, the team must be able to work flexibly and adapt to the shifting regulatory landscape.

DETAILED DESCRIPTION

Introduction

Santander UK is part of Santander Group, a global bank headquartered in Spain. Santander has been steadily growing its commercial and corporate banking businesses, which will be supported by the Corporate Digital Onboarding proposition.

Table 1: Santander UK Snapshot

SANTANDER UK	
HISTORY	Founded 2004
PARENT COMPANY	Santander Group
SIZE	Corporate and Commercial Banking 2018 <ul style="list-style-type: none">• Profit of £190 million• Loans of £17.7 billion• Deposits of £17.6 billion
RELEVANT TECHNOLOGIES AND VENDORS	Quadiant (dynamic form functionality) along with API-based services from Comply Advantage, DocuSign (e-signing), DueDil, and TransUnion. Robotic process automation (RPA) developed by Santander

Source: Santander

Opportunity

Santander recognized that it could differentiate itself by outperforming in the onboarding of commercial customers. Most banks have built onboarding processes based on their operational structure, not the customer perspective. It is not only expensive but also has an adverse impact on customers' initial opinion of a bank. Across the industry, customers are often frustrated by inconsistencies, redundancies (e.g., lack of data reuse), lack of process transparency, and the continuous back-and-forth communications with their relationship manager.

Solution

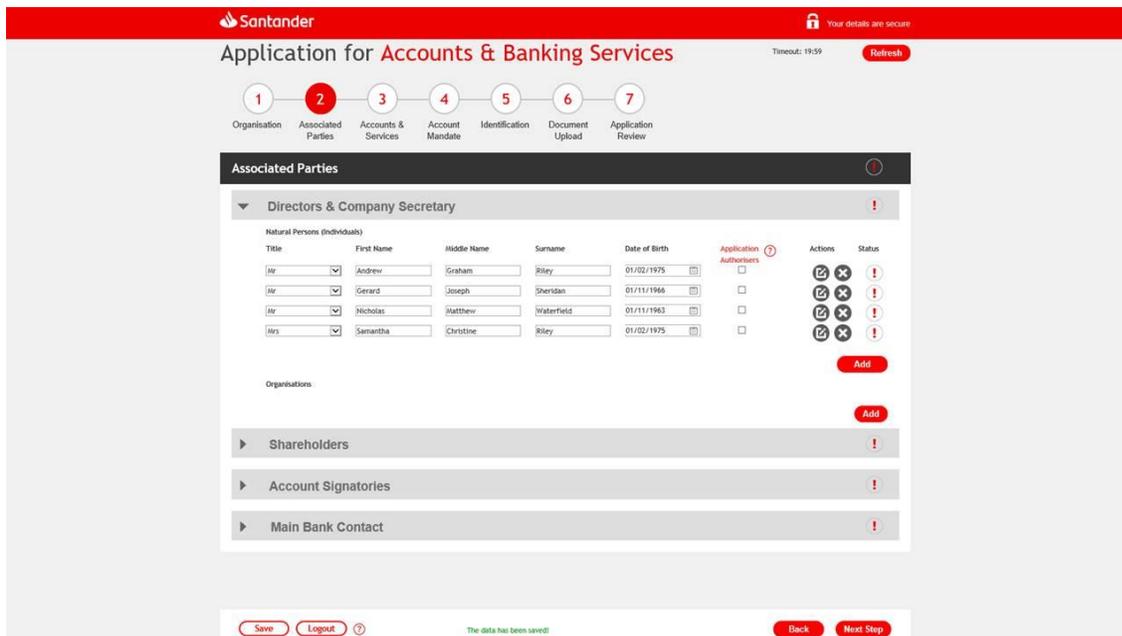
Santander's solution to differentiate, Corporate Digital Onboarding (CDO), delivers a fully digitized process across segments from small businesses to multinational corporations. Key elements include:

- One dynamic multifunctioning form covering more than 14 entities type and the entire product range for corporate and SME customers.

- Covers 72 banking products across 24 currencies.
- Provides communications (emails and text messages) in three languages and e-signature in 80 languages, matching browser preference.
- Includes a wide range of due diligence levels and regulations (e.g., General Data Protection Regulation, the Fourth Anti-Money Laundering Directive in Europe, and the Foreign Account Tax Compliance Act in the US).
- An optimized customer journey by designating, testing, and implementing more than 3,500 dynamic rules and pre-populating form via APIs. Customers can focus on validation instead of data entry.
- Increased onboarding timing transparency by using APIs to run “know your business” (KYB) checks on the customer immediately and determining the customer’s risk rating.

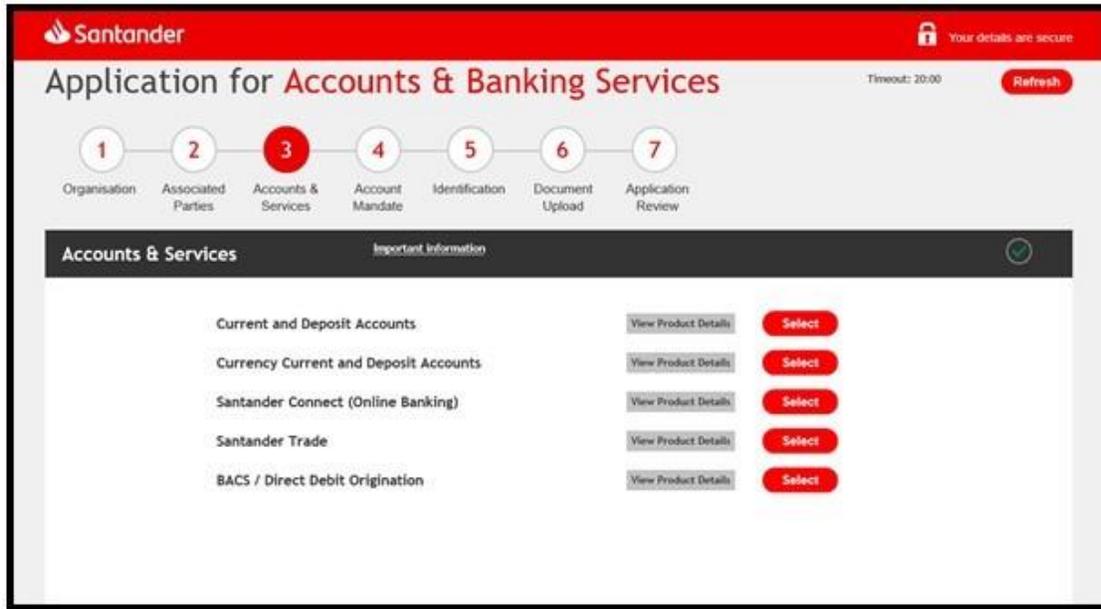
Santander recognized that creating a customer- and employee-centric journey was paramount. Moreover, it has sought to do as much on behalf of the customer as possible in order to further differentiate itself. Hence, it undertook a design thinking and agile approach. The results are seen in CDO’s user-friendly UI. Figure 1 shows the second step, Entry of Associated Parties, in the onboarding process, the easy to use dropdowns, and the transparent action items. Figure 2 shows the third step, Selection of Accounts and Services.

Figure 1: CDO’s User-Friendly UI — Step 2 Associated Parties



Source: Santander Bank

Figure 2: CDO's User-Friendly UI — Step 3 Selection of Accounts and Services



Source: Santander Bank

The project team comprised 12 to 15 members depending upon the stage. Six to seven came from the core project team, two to three for RPA, one to two financial crime subject matter experts, and three to four from the intellectual property team. Each of the tech vendors brought three to four team members. The core team met with all the process participants, stakeholders, and customers. Stakeholders included relationship managers, the financial crime and fraud teams, the tech group, and the back office teams.

The core elements of CDO are outlined in Table 2 from the front office (data entry, reuse, and security) to the back office.

Table 2: Core Elements of Corporate Digital Onboarding

ELEMENT	DESCRIPTION
Data entry	<p>Customers securely enter data and upload documents to the online form, and API calls digitally verify the data and ID documents.</p> <p>All public data is pre-populated into the form via the APIs, reducing customer involvement to a validation exercise only, and speeding up customer processing times, even including the most complex scenarios.</p> <p>All information (including security-related below) is imported into the back office, eliminating the need for relationship teams to rekey the information into manual web portals and smart forms for the back office.</p>
Security	<p>CDO incorporates an industry-leading regtech solution with individual-based electronic identification and verification in the UK, supported by electronic reading and validation of ID images.</p> <p>CDO automates fraud checks within the application whereby application data is screened against sources, for example, the police database. These checks assist Santander with meeting regulatory requirements.</p>

Data reuse	Customers can onboard groups of companies at once, as well as multiple products per entity, avoiding duplicate data reentry.
e-Signatures	<p>The docusign digital portal supports third party countersigning of uploaded documents and allows customers to e-sign completed application forms.</p> <p>All signees can e-sign in parallel, rather than handing a paper form around the office or posting it around the world. Hence, the onboarding document can be completed by one person and signed by any number of people across a corporation.</p> <p>The multiple corporate entity de-duplication of data entry across board members, shareholders, account operators, and mandates is a UK market first</p>
Back office processing	<p>RPA is used in the back office to maximize automation of all data entry, validation, and product fulfilment activities.</p> <p>While customers e-sign the application, the RPA system completes the account opening by processing the digital data, and constantly monitoring for e-signature status. Upon account opening customers receive an instantaneous communication of the newly opened product details via a status update email.</p>
Status tracking	<p>Throughout the process, the main customer contact receives automated status updates.</p> <p>For relationship managers, the updates are fed into Salesforce along with data to automatically reconcile the newly created customer record.</p>

Source: Santander

To build CDO, Santander used the dynamic form functionality from Quadient and the API-based services from Comply Advantage, DocuSign, DueDil, and TransUnion, which deliver know your business, know your customer, sanctions screening, e-signature, adverse media, and identity checks (Table 3). The consolidated API services are combined with complete RPA in the back office, which connects with core banking platforms and handles the information gathered from the third party sources.

Table 3: CDO's Software and API Service Providers

PROVIDERS	KEY FEATURES
QUADIENT	<p>Provides the dynamic form functionality, orchestration layer.</p> <p>Provides designers to design and build the system, connects to APIs, and provides system outputs (customer PDFs) and data output.</p>
COMPLY ADVANTAGE	Provides entity and individual-based screening as well as adverse media searches which is then relayed to the relationship team.
DOCUSIGN	<p>Provides digital signature capabilities and certifies documents within the process.</p> <p>Enables parallel signing processes.</p>
DUEDIL	Provides live KYB information which pre-populates digital form with full entity information for registered entities (e.g., shareholders and turnover).
TRANSUNION	<p>Completes KYC on individuals via electronic identity and verification within the application process.</p> <p>Links into Paycasso, which allows customers to upload Identification documents into the system which can then be verified via OCR.</p>

Source: Santander

Results, Lessons Learned, and Future Plans

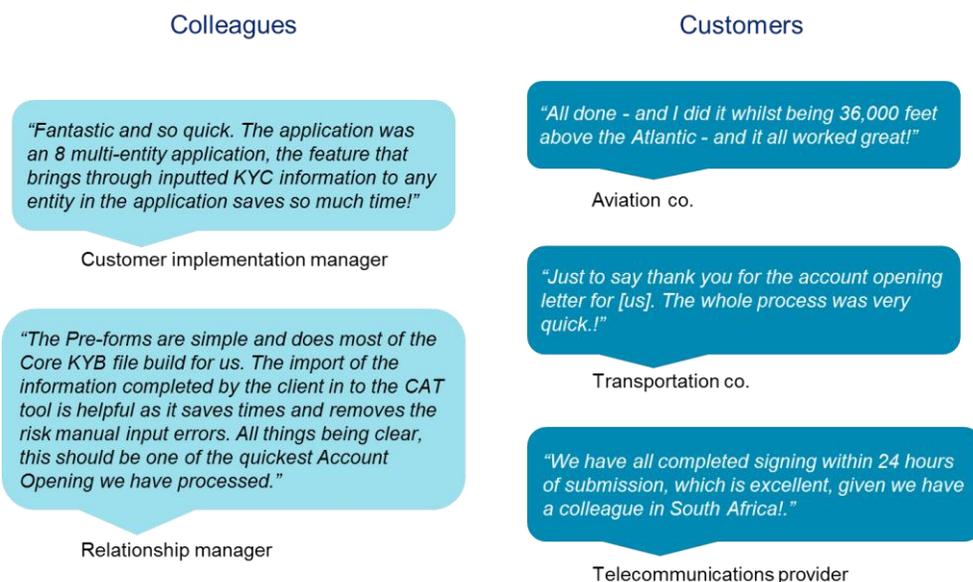
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The project recently finished its testing phase, which involved full case processing across all the relevant teams, using real customer data. Results from the testing phase are promising.

- Greatly improved customer experience, including reduced onboarding and customer data entry time.
 - Onboarding time reduced to an average of two days.
 - Average customer online completion times expected to be less than 60 minutes.
 - During testing phases, SME customers averaged 15 minutes.
 - Multi-entity and product onboarding reduces seven director-level signatures to one.
 - Single digital communication at the point of account opening.
- Improved back office performance.
- More time for RMs to add value for customers. CDO has eliminated the need for the front office to rekey information into manual web portals, resulting in greater relationship team job satisfaction and up to 10% extra capacity in the working week.

Feedback from stakeholders, including relationship teams and customers, has been positive (Figure 3).

Figure 3: Voice of the Customer — Feedback from the Testing Phase



Santander learned several things. First, it is key to maintain focus on reimagining the onboarding experience from the customers' and colleagues' perspective throughout the project. This includes bringing colleagues along throughout the journey, allowing them to witness the benefits of automation, and shape the future processes for their respective roles with the common goal of improved customer experience. This involved adopting new agile working practices.

Second, the core project team had to remain determined and patient when consolidating forms, streamlining onboarding processes, and testing the system. This was a daunting task as they were designing a rule set to build one dynamic multifunctioning digital form to cover a wide range of banking products (72 across currencies, payments, accounts, deposits, and credit cards), in three languages, across 14 entity types, due diligence levels, and regulation (GDPR, 4th Money Laundering Directive, FATCA/CRS input). The result was one dynamic digital form with 80% fewer fields. Of the remaining fields, 50% can be pre-populated.

Third, flexibility is paramount. Throughout the project, the team had to adapt to a shifting regulatory landscape. Fourth, having sufficient FinCrime/KYC professionals for case management and escalation is critical.

CDO went live in February. By delivering a superior onboarding process, Santander is targeting a higher rating in the servicing element of the Charterhouse survey. To stay ahead, it is continually examining how it can improve CDO. Each step and process is tracked, and detailed statistical reporting helps identify areas of improvement

During the course of 2019, it will increase the number of countries for which it can pre-populate and validate entity data to 200 and add foreign exchange (FX), its e-portal for FX, and overdraft borrowing. It is building a machine learning screening (false positive) discounting model to the API-based screening. The model is being trained using seven years of manual screening discounting activity and related data across Santander's corporate and retail customer bases.

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