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HOW CAN BANKS USE TECHNOLOGY TO HUMANISE SERVICES?

WHITE PAPER

Customers often complain that their bank can be cold to deal with. The concept 'Banking for Humanity' looks to change this and is an idea that was explored by fintech guru, Chris Skinner, at The Banking Scene conference.

But, what are the most likely steps for this to happen and how might technology help rather than hinder banks being more human and empathetic?

First, it's important to ponder what Skinner said. He said the concept is about how banks can make their services more human, playing their part in contributing towards a more sustainable world and a healthier financial society. There are five fundamental pillars for realising banking for humanity: financial inclusion; financial literacy; financial capabilities for the vulnerable; financial wellness; and promoting sustainability.

Yet, any initiative like this collides with the weak reputation of financial services in the aftermath of the financial crisis earlier in the century. For many there is a pervasive lack of trust and confidence. A study by the UK's financial regulator the FCA research revealed that over 40% of UK adults are not confident in the UK's financial services industry. The outlook is improving but in order to build trust, service providers need to deliver value-adding insight and a personalised approach.

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There are many ways to advance Banking for Humanity but the parallel efforts that banks are undertaking to digitally transform and make their operations to be better aligned with their retail and business customers' requirements are also relevant.

Here are some steps that banks might take to can progress Banking for Humanity goals.

LET AI AMPLIFY THE HUMAN NOT THE MACHINE IN BANKING

It may seem odd to suggest greater use of machine intelligence and learning can humanise bank services, but when carefully utilised AI can play a crucial role in progressing Banking for Humanity and broad goals across most of those pillars.

AI and machine learning can automate and personalise customer care, making it more intuitive and predictive thanks to the technologies' ability to learn and respond faster to customer data, which helps banks to better understand market trends and habits. Such smarter insights can help a bank cater for different demographics with varying needs, whether they are young or old, financially adept or naïve.

By automating menial tasks, the human role in banking becomes less transactional and more concerned with being empathetic and delivering advice and support. How AI can be harnessed to co-work with humans for examplest guiding them through answering a customer's complex requirements illustrates how smarter IT can enable the human touch when it matters most for customers.

The space that AI can create in everyday banking processes should be exploited by banks to invest in developing their colleagues' consultative capabilities through training in empathy, emotional intelligence and problem solving.

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BETTER FINANCIAL INCLUSION AND LITERACY ACROSS THE GENERATIONS

Financial inclusion is key to making banking more humane. Banks should provide adequate and quality financial services across all generations. There are active approaches that can be taken to serve the aged, as well as the youngest possible generation of current new customers – Gen Z, born after 1995.

For Gen Z, banks must consider how there is no clear line between the online and offline words when developing their omnichannel strategies. This generation is interested in authenticity and permanence, but are also one of the hardest to read. Unlike their predecessors, the Millennials, they are more interested in prudent financial management. Accordingly, banks can consider building financial education channels and products to engage with Gen Z.

Technology can close the financial inclusion gap with older generations especially as banks digitise more services. There is a great deal that can be done with the user interface design on self-service devices and how their operation can be overseen by staff, who can assist older customers to use the machine to take control of their money. New branch designs aim to create more space for personal consultation that suits this generation's needs. Linked to how important face-to-face There is also a growing case for how video banking can be used in-branch to maximise access to

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financial services and assistance for consumers seeking help with self-service technology or product advice at a time that best suits them.

NEW DIGITAL BANKS AT THE CENTRE OF THEIR LOCAL COMMUNITIES

Banking for Humanity is very much about how having banks in your local community is extremely positive.

New digital technology can be successfully integrated with physical services within a branch footprint. Branches become service experience hubs that offer well-resourced face to face services alongside digital services and the opportunity to experiment with video banking to make those invaluable human advisory resources more widely available. The roll out of omnichannel banking that's enabled by cloud computing solutions can bring down the operating costs while extending superior customer banking services into more communities.

Creating shared digital banking hubs for more than one banking brand is something that's common in other countries that could be more widely applied here. Hubs could be located within existing bank premises, while the bank could look to repurpose the rest of its real estate to benefit the community by creating new facilities for ancillary or complementary services or make space for community activities and groups, such as a playgroup.

Banking for Humanity sounds odd (if not humans then who are banks for?). Yet, the idea of banks aligning with society's needs is valid and already shared by many banks. Let's hope to see more progress on responsible banking as the industry continues to evolve how it serves its customers through multiple channels.