
Managing A Conversion

by [Steve Brown](#)

Most banks would not consider putting yellow crime scene tape around all their drive-up windows for a week with a simple explanation that there was construction to be done. Sorry for any inconvenience but customers just need to park their cars and come into the lobby. We can only imagine the grumbling. For the most part, if there is physical construction that will inconvenience customers, it's done on weekends and after hours so that service is smooth and customer disruption is limited.

When a bank undertakes a conversion of its website, it requires not only a huge commitment of time and resources from bank staff, but it also results in a customer experience as well - good or bad. Every bank needs to keep its electronic access channels modern, useful and up-to-date, but upgrade processes must occur with minimal customer impact. Otherwise, your bank essentially has put crime scene tape around its website.

To better understand our point, we offer a story of one unnamed community bank's web conversion. An upgrade of its online banking site was announced and banners exclaimed that a better online banking experience was on the way. There was a note warning customers that online bill pay would be shut down for a week and inaccessible during the conversion, so they needed to be aware of payments in their queue that may be affected.

When the new site launched, the customer was required to answer an entirely new set of security questions and change their password and SMS text verification. The second time they logged in, they were required to answer more security questions and another SMS text verification. We are all for security, but we would guess customer irritation levels were increasing exponentially at this point. Once customers were able to access the website, they discovered all history of their previous bill payments had disappeared. Moreover, it took four calls to customer service to finally be directed to the correct place to find that history. When customers asked customer service about hurdles accessing the system with other devices, they were told they would have to repeat the process of security questions and SMS text verifications for EACH DEVICE.

While long-time bank customers may not take their business to a competitor as a result of a clumsy conversion like the one described, less dedicated customers might. Bankers can ill afford to take a chance like this, as there is little tolerance of non-functional technology among most tech-savvy customers. Security is important, upgrading technology is important too, but such improvements shouldn't make the customer experience this difficult. Frankly, it seems there was insufficient research into how the conversion would affect customers. Unfortunately for this bank, while there may be wonderful new aspects to the online service, customers probably won't notice because the bad experience they've had overshadows the improvements.

There is now a note on the cover page of the website stating that "users may experience difficulties logging in during the upgrade." To us, this means the crime scene tape is partially down, but it seems clear that the bank missed some important points in its due diligence regarding customer experience. As your bank considers upgrades and new providers, keep in mind that the excellent sales people who represent prospective services are certain to explain the wonderful features and improvements your customers will enjoy, but unless pressed, may ignore concerns you have. It is always good to

note the improvements, but be sure to ask about customer impact before, during and after the conversion. Finally, be certain your staff is trained to immediately help customers access information that may have been taken for granted on the old website. Without these considerations, even new whiz bang features don't mean much, because basic functionality is compromised.

BANK NEWS

Bank Divestiture

National Australia Bank said it plans to do an IPO next quarter as it moves to sell off its U.S. banking unit (Great Western Bank, SD, \$9.2B) in order to free up capital and focus efforts on its core business in Australia.

Rising Cyber Risk

Bloomberg reports government officials are now warning that cyber terrorists will try to wreck the computer systems of the financial system seeking a potentially cataclysmic attack. An ugly scenario could include hackers or terrorists destroying records, draining bank accounts and freezing networks as they seek to create a financial meltdown. Regulators are focusing on this risk much more as a result, so banks should understand the risk, report instances of potential hacking to the authorities, review contingency and business continuity plans and continually strengthen defenses.

Jumpstart

CNBC reports the European Central Bank is discussing whether it should do large scale quantitative easing, as it seeks to jumpstart the struggling European economy.

Bank Innovation

Fujitsu says it has been hired by the 3rd largest Spanish bank CaixaBank to manufacture and install 8,500 cash machines that allow users to withdraw cash using smartphones or wearable contactless technology (no card required). CaixaBank is doing this because it says such technology makes withdrawing cash 30% faster.

Checking Fees

A MoneyRates.com survey finds the average monthly maintenance fee for checking accounts climbed just over 1% to \$12.69 over the 6 month period ending in June. Meanwhile, overdraft fees climbed 45 cents per transaction to an average of \$32.48, average minimums to open an account climbed to just over \$400 and minimum balances to waive monthly maintenance fees reached just under \$5,500.

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