



Is It Time To Update Your Digital Account Onboarding?

by [Steve Brown](#) Topics: [digital banking](#), [customer experience](#), [fintech](#)

Summary: Digital account openings have hit record levels due to the coronavirus. Is it time to update your digital onboarding process?

The longest skateboard trip was over 7.5K miles, according to the Guinness World Records. Before you think of dusting off your own skateboard and giving it a whirl, we discuss another kind of board -- digital account onboarding.

There has definitely been an increase in digital account openings during the coronavirus. Some customers need new accounts for their stimulus checks while others may be trying to build up their "rainy day" fund since it has been pouring lately. Digital bank, Chime, reported having record account openings during the first couple of months, and as the crisis keeps going, online account activity will likely continue as well.

Competition with fintechs and nontraditional financial institutions was already on the rise before the emergence of the coronavirus, but now may be the time for community financial institutions (CFIs) to up the ante.

According to a recent test conducted by Built for Mars, a UK-based user experience website, the onboarding process for traditional European financial institutions is significantly more cumbersome than it is for fintechs. Customers have to click up to 5x more to open accounts with traditional banks than on fintech sites. These stats are likely similar in the US too. Also, the time it takes to open an account differs from around 2-3 days for fintechs to up to 36 days for traditional banks.

Given this reality, CFIs may want to consider taking this time to review and streamline their onboarding processes. This would include a focus on providing customers the best front-end experience possible and seamless integration across multiple channels. Two areas to start speeding up the onboarding process are [automation](#) and electronic signatures.

As some fintechs are able to onboard new customers in as little as 24 clicks, CFIs should do their best to update their systems. In some cases, CFIs have **partnered with fintechs** to help speed up their online process for onboarding customers. Or you could **contract with IT professionals** to get this done, if you have in-house folks that can maintain the onboarding system. Lastly, you could **invest in a technical team** -- either by tapping into existing employees who may be interested and training them, or hiring IT employees externally for the long-term.

Once you have your onboarding process upgraded, you should make sure that customers are aware of it, of course. Not only will you want to tout the ease of opening an account, but also that the level of service will not diminish. Your less mobile-savvy customers will especially want to know that they will still have access to live customer service, should they need it. Emails, website banners, and even app notifications will all play a role in these communications.

The time may be right to start thinking more about your digital onboarding process. As one CFI noted, *"In a way, the pandemic helped drive new account activity because people were home and wanted to*

catch up on some long-delayed tasks like opening that savings account." Once they realize how easy it is, they may find other services too. Wouldn't that make everyone's day?

ECONOMY & RATES

Rates As Of: 08/27/2020 06:57AM (GMT-0800)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.09	0.01	-1.45
6M	0.11	0.02	-1.47
1Y	0.12	0.02	-1.44
2Y	0.16	0.05	-1.41
5Y	0.31	0.10	-1.38
10Y	0.74	0.21	-1.18
30Y	1.48	0.29	-0.91
FF Market	FF Target	Fed Disc	
0.09	0.25	0.25	
SOFR	Prime	Unemp	
0.07	3.25	10.20	

BANK NEWS

US Bankruptcies

S&P Global Market Intelligence reports that 424 companies in the US have gone bankrupt in 2020 as of Aug 9, compared to 347 for the same time period in 2019. Experts forecast the US is on track to hit a 10-year high in bankruptcies.

SMB Optimism

The National Federation of Independent Business ([NFIB](#)) [reported a dip in US small-business optimism](#), from 100.6 in June to 98.9 in July due to COVID-19. "Small business represents nearly half of the GDP and this month we saw a dip in optimism. There is still plenty of work to be done to get businesses back to pre-crisis numbers," said NFIB's Chief Economist Bill Dunkelberg.

US Contactless Payments Hits Roadblock

The pandemic has accelerated the use of contactless payments globally; however, there remain roadblocks for the US. Only one-third of US debit cards will have the technology needed to tap-to-pay by the end of the year, while Visa and MasterCard report a 40% YoY global growth in this area.

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