

The Battle to On-Board III

Why has huge investment in digital transformation
led to so little change?



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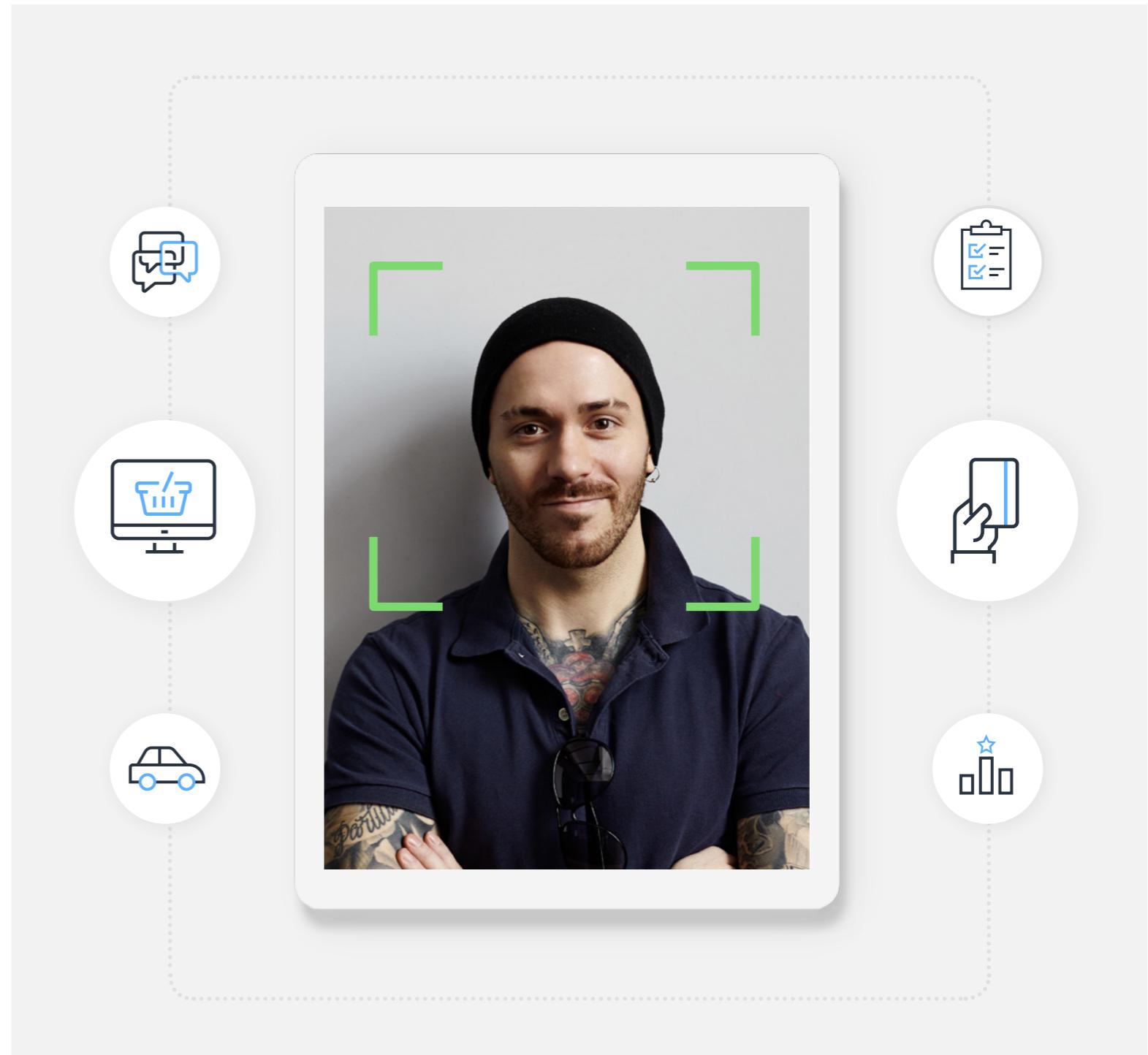
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Foreword

How to successfully on-board customers remains one of the financial services industry's biggest unanswered questions.

Despite the widespread introduction of new technologies to these processes, for example mobile scanning of identity documents, customers are still dropping out before applications are complete.

Largely, this is due to changed customer expectations. So much of what we do—shopping, communicating, consuming entertainment, choosing dinner, organising transport—is now often carried out digitally.





Digital identity is rapidly becoming an essential ingredient of successful customer onboarding at financial institutions. Customers are increasingly frustrated with proliferation of passwords and concerned about data breaches.

On the other hand, financial institutions want to deliver good customer onboarding and authentication experiences, while ensuring security, cost effectiveness, and regulatory compliance. The good news is that this no longer needs to be a trade-off — the emerging digital identity schemes and other technologies, such as biometrics and sophisticated data analytics, mean that a good customer experience can be achieved without compromising on security and other objectives.

Celent's recent account opening research in the US found that banks perform differently at various steps of the process; not surprisingly, identity

verification was the area requiring most attention. Yet, overall, too often and too many customers find the process too complex, too involved, and too long. Research findings described in this paper confirm that many European institutions also face similar issues.

Another interesting finding is that while digital identity plays an important role in improving onboarding, it is not enough. Even in countries that do have established digital identity schemes, such as Norway, consumers still often abandon the process.

Our advice to financial institutions looking to improve the customer account opening experience is to think across all steps in the process — from discovery and data capture to giving customers clear value from the new account. Only then can they hope to reduce the abandonment rates and increase the number of people that become customers.

Zilvinas Bareisis
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Obviously, it's in the best interests of the companies that provide these services to ensure we can get what we want as quickly and efficiently as possible in order to avoid losing our custom.

So they invest heavily in finding ways to enable that to happen, and their success in this area has led us to believe that we should be able to perform every online task in the same frictionless manner—at whatever time of day or night we choose.

At the same time, new providers of financial services, such as neobanks and digital-only payments firms, have further contributed to changing customer expectations by delivering services in a manner comparable to the likes of Netflix and Deliveroo.

They also release new products and update their user journeys

with a similar frequency to their counterparts in other industries, further reinforcing the notion that it is now the standard against which all other providers are to be judged.

Many larger, older financial services firms however are failing to adapt to this new reality. Partly because those expectations change faster than some of these industrial giants can comprehend moving, but also partly because they don't approach the problem in the same way.

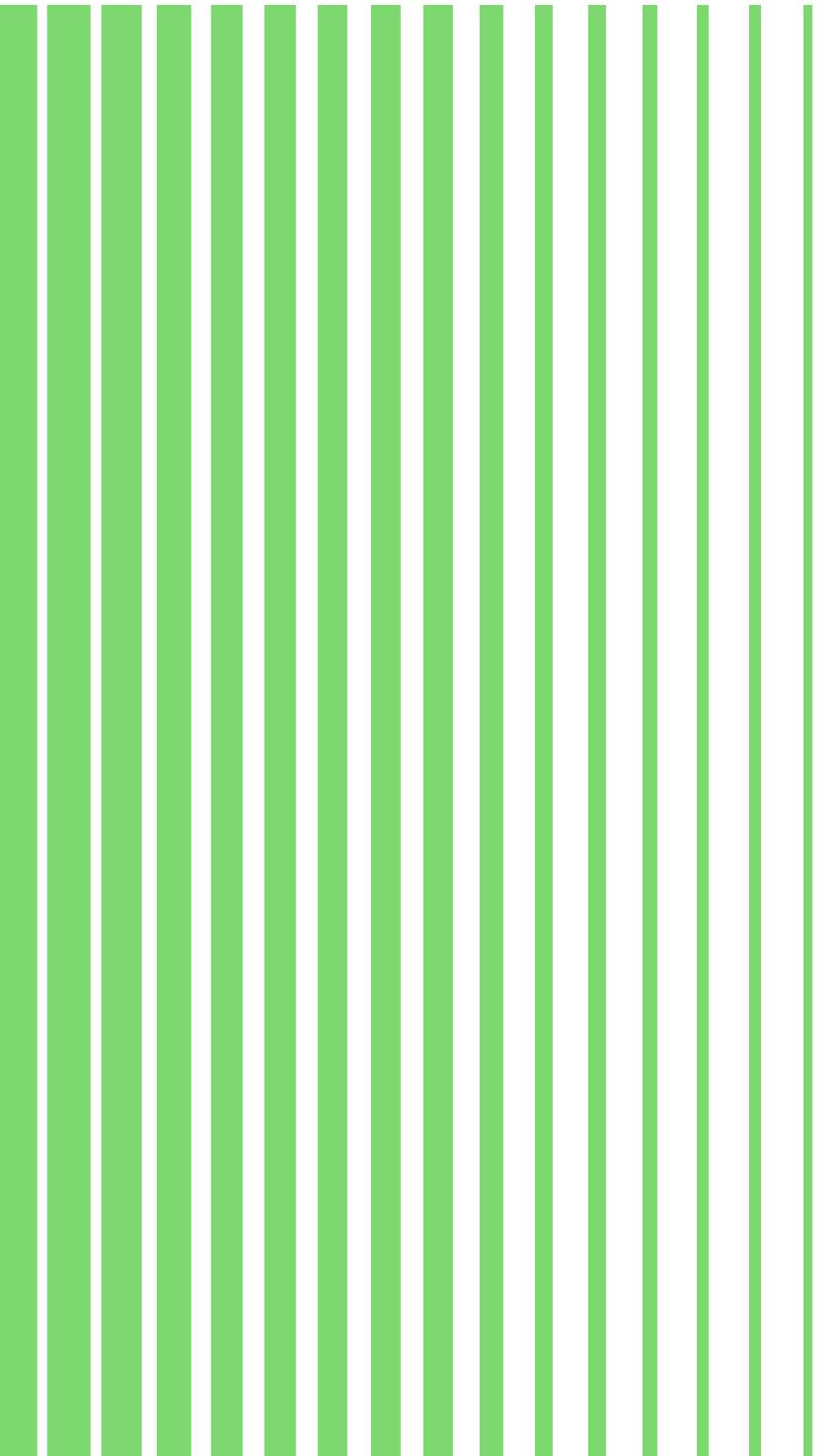
Most of them have invested heavily in the technology that underpins these new on-boarding processes, but unlike the upstarts, have failed to rethink the processes themselves. That is why they are falling behind, and that is why customers are still failing to complete applications.

Sarah Kocianski
Head of Research,
11:FS



Executive Summary

2019: More challengers, more challenges...
and more solutions



In 2016, when Signicat released its first Battle to On-board report, retail banks were facing a growing battle for their customers' business from challengers.

This hasn't changed. In fact, this battle has only intensified and new fronts have opened up. New challengers are not only focused on current accounts, but on credit cards, insurance, and more.

But despite these challengers having more market share and being more trusted than ever before, they haven't yet taken over. For example, the evidence shows that challenger bank accounts tend to be used for day-to-day budgeting rather than as a main current account.

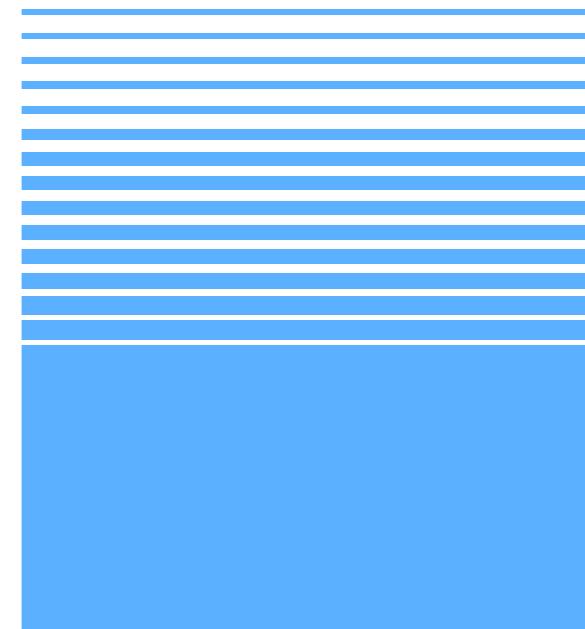
This may yet change over time, but this try-before-you-buy approach is likely helped by good on-boarding practice. If it's easy to apply for a service, consumers are far more likely to trial it.

At the same time, improvements in on-boarding technology have meant more widespread use of reusable digital identities—in some European countries, more than 80% of consumers have a digital identity.

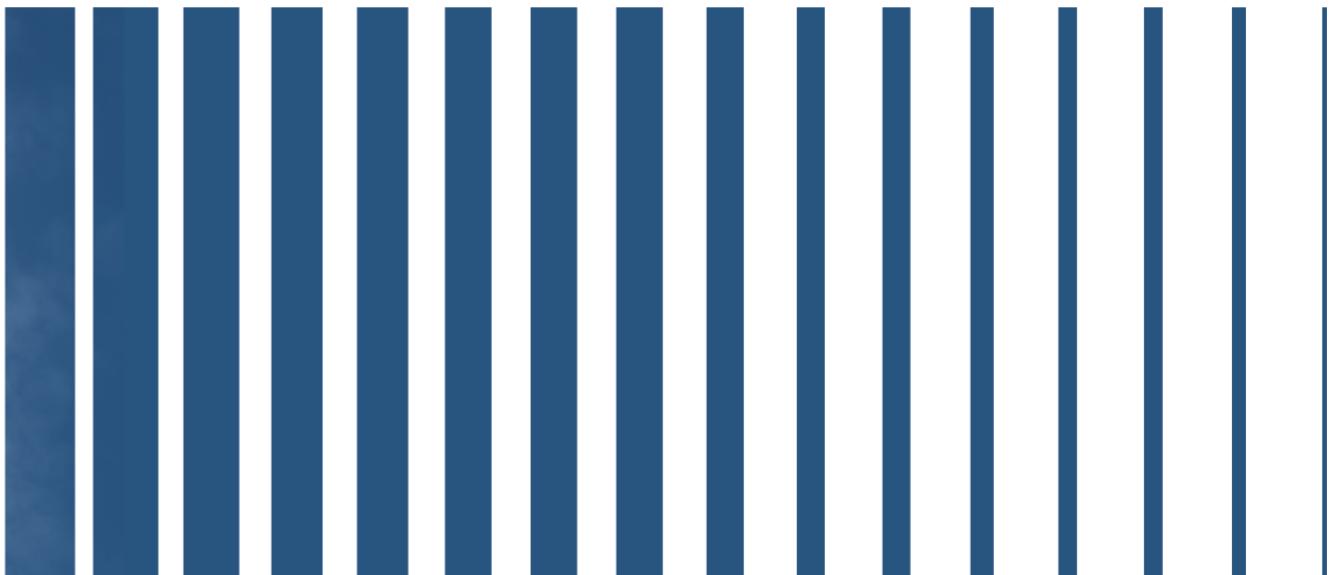
Use of mobile devices to scan physical identity credentials is also more common, if not ubiquitous. There's no reason today why on-boarding should not be fast, simple, and avoid the need to present identity documents in-person altogether.

In some European countries, more than

80%



of consumers have a digital identity.



A stalemate in the Battle to On-board?

The 2016 Battle to On-board report revealed that consumers were dissatisfied with on-boarding processes which had 40% of consumers abandoning account applications.

The 2018 report revealed an even bleaker picture. In the UK, the number of abandoned applications leapt from 40% to 56% within just two years. The results from countries with mature digital identity systems—such as BankID in Norway, which can be used to open bank accounts, sign leases, and more—

were clear: the use of eID correlated with a greater satisfaction with on-boarding.

The good news for financial services providers is that 2019 is an improvement on the 2018 numbers.

Unfortunately, these improvements bring the numbers almost exactly back to where there were in 2016. Still, 38% of consumers report abandoning an application in the last year, down just three percentage points from 2016. Despite a great deal of investment,

financial services providers find themselves in the same situation as three years ago: losing customers to a substandard on-boarding experience.

So what's changed in three years that's made everything remain the same?

Through the digital identity looking glass



"Well, in our country," said Alice, still panting a little, "you'd generally get to somewhere else—if you ran very fast for a long time, as we've been doing."

"A slow sort of country!" said the Queen. "Now, here, you see, it takes all the running you can do, to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that!"



Lewis Carroll

Through the Looking-Glass,
and What Alice Found There,

The Red Queen's race is a concept common in international arms races and evolutionary biology—and now applies to financial services on-boarding. The race sees Alice running as fast as she can, only to stay in the same place.

This is where financial services providers find themselves now. According to eConsultancy's [2018 Digital Trends in Financial Services report](#), 81% of financial services providers are investing in what is termed "customer journey optimisation".

Most providers clearly now get it—if they don't invest in the customer experience, there are enough options that customers will simply look elsewhere. Despite this understanding, the added investment, and all the hard work, satisfaction levels are back to where they were in 2016.

Financial services providers have clearly improved their on-boarding processes.

But customer expectations have shifted, partly due to new fintechs that are laser-focused on perfecting the customer experience, but also because consumers are used to better, slicker interfaces elsewhere.

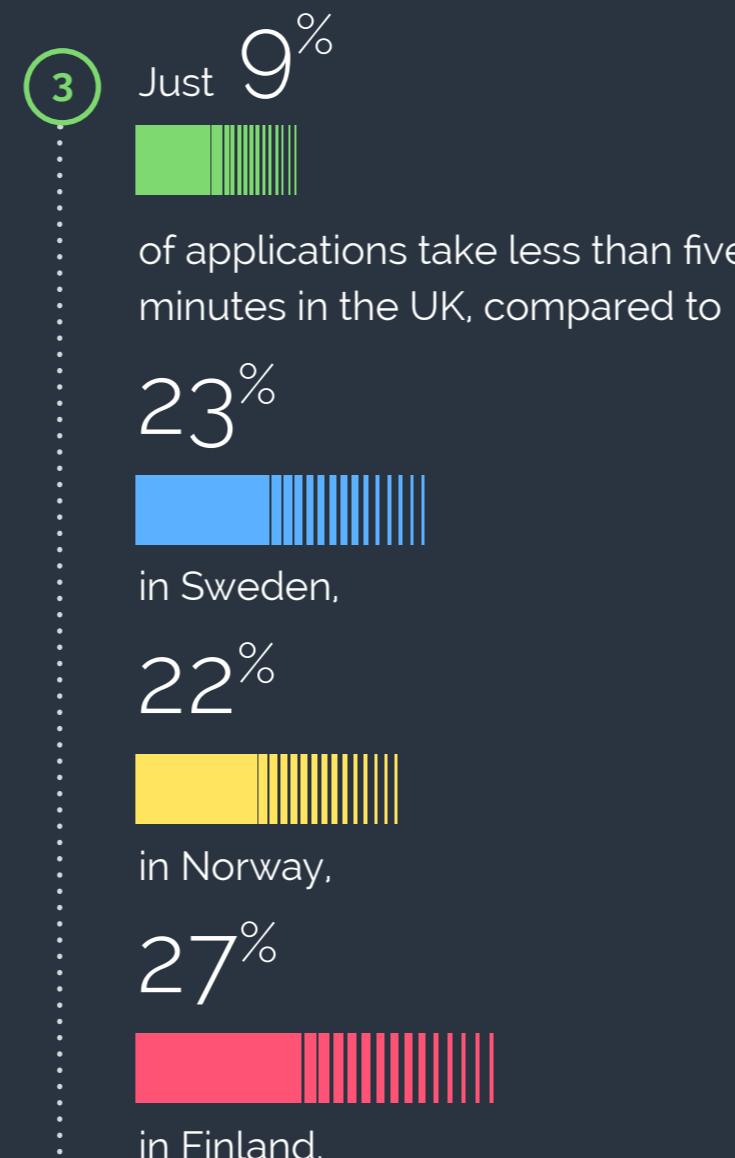
On-boarding has become a "Red Queen race"—everyone is innovating and consumers' expectations are continually increasing. Financial services providers need to run fast just to maintain the position they have. Providers need to listen to the advice of the Red Queen herself: "If you want to get somewhere else, you must run at least twice as fast as that!"

Key Takeaways:

1 Reusable digital identities dramatically streamline the onboarding process, and banks are still the most trusted institution to provide and manage digital identity, chosen as the preferred provider by almost half of respondents.

2 The research uncovers two key facts that should have financial services providers worried:

- When asked how long they would take before giving up on an application altogether, the average time given is 14 minutes and 20 seconds.
- Around one in three (29%) applications take more than 20 minutes to complete.



Similarly, twice as many applications take more than 30mins in the UK than in the Nordics.

4 The amount of time consumers were willing to take changed between 2016 and 2018—in 2016 34% were willing to take longer than 20 minutes. Two years later that had dipped to 29%

5 But since then, those attitudes have remained static.

6 While financial services providers are investing in the customer experience, all they are doing is keeping pace with their poor performances of the past—trapped in “Red Queen race” where expectations are constantly out of the reach of providers.

Introduction

In 2016, Signicat published the first Battle to On-board report, the result of unique research into on-boarding.

Then, as now, retail banks were facing a growing battle for consumers' business from challenger banks and fintechs.

The question we set out to answer was: what do consumers think about on-boarding—were they happy with current application processes, and was it leading to lost business as these applications were abandoned part way through?

Signicat commissioned an independent survey of UK consumers to explore experiences of applying for financial products. The answer we received was that consumers were definitely not happy. We found that 40% of consumers had abandoned bank applications before they were complete.

More than 1 in 3 of these abandonments were due to the length of time it took to complete the details required. Another third objected to the amount of personal information they were asked to provide.

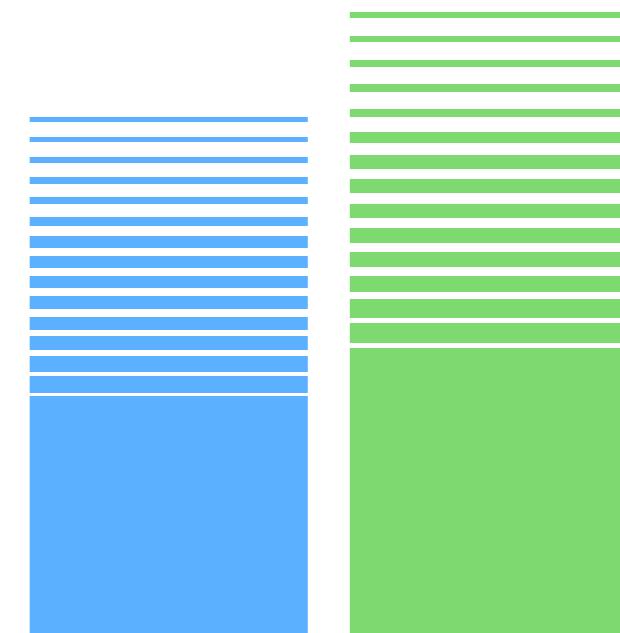
Two years later, we looked again, extending the survey to new markets. Our questions remained the same, but we wanted to know if on-boarding had improved, and if other markets were faring any better. The surprising answer was that things were worse. In the UK, the number of consumers abandoning applications leapt from 40% to 56%—a 35% increase.

Countries with higher adoption rates of digital identity fared better, though we did find a tendency for consumers to abandon more applications once they became very easy to complete. Once the application process becomes trivial, consumers are more likely to change their mind on a whim.

This year's report, the third Battle to On-board study, comes at a time when many of the worries of 2016 are now a reality. Fintech providers are now a much more prominent part of the financial landscape and are gaining trust fast. And trust is where the battle for consumers' hearts and minds is being won.

In the UK, the number of consumers abandoning applications leapt from

40% to 56%



Regulatory disputes over privacy, regular data breaches, and the constant threat of hackers means that trust is among the highest factors for consideration right now for consumers. With their need to follow strict compliance regulations and under threat from new entrants, the smarter financial services providers are turning from transactions to trust in order to keep customers loyal.

The Battle to On-board III again expands the scope of the research, as we hope to learn where on-boarding is going well, in which markets, and how far we've come.

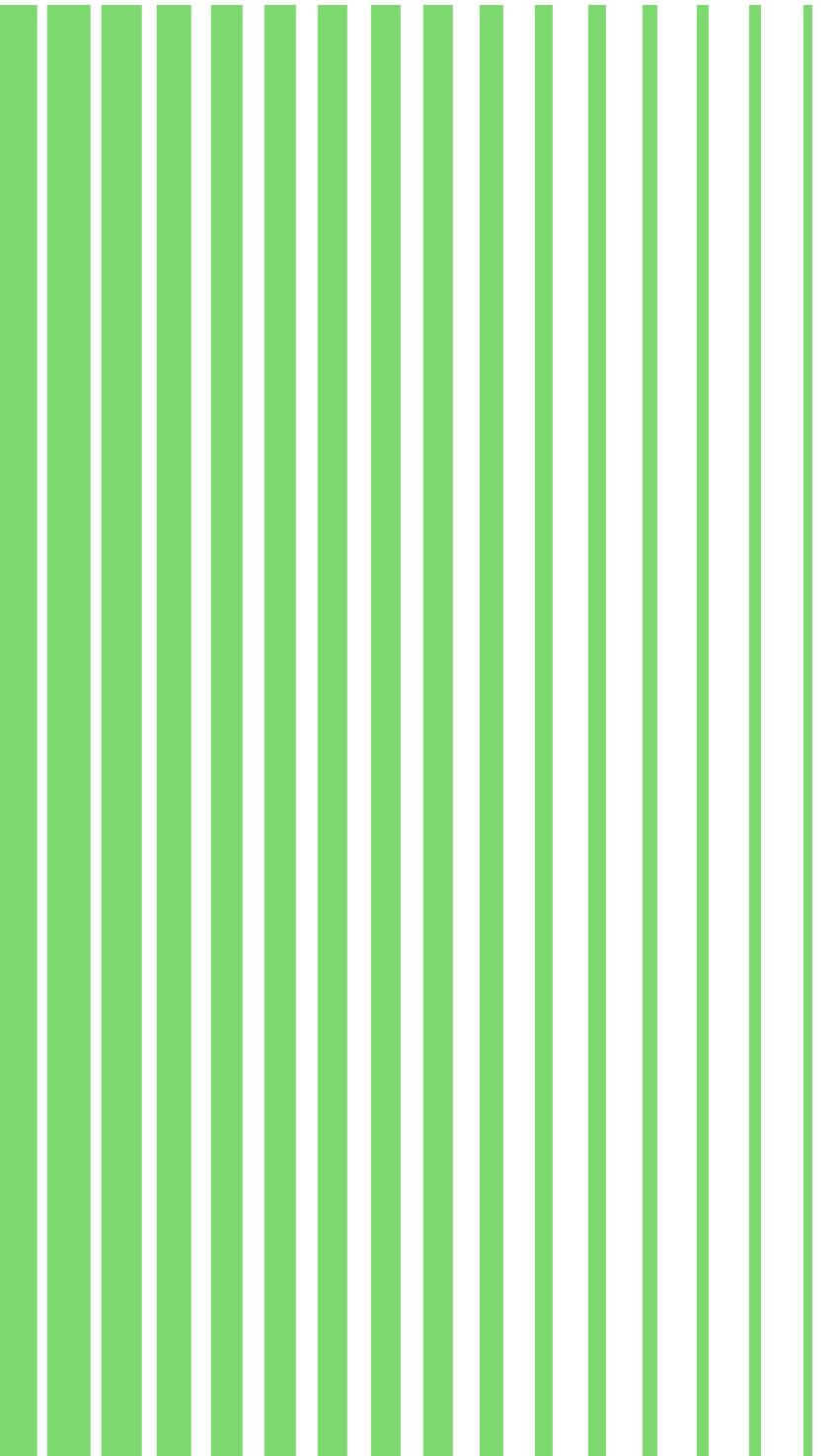
The research now covers the UK, Germany, the Netherlands, Norway, Sweden, and Finland, and looks at current accounts, insurance, and credit cards in an attempt to identify where the market should look for best practice.

We know from last year's report that consumer expectations have shifted. People no longer want to deal with application processes that are long and frustrating to complete. The question is whether financial services providers have halted this growing trend in its tracks, or if they have become complacent in meeting these expectations.



The Battle to On-Board 2019

An easy-to-use, universally recognised digital identity scheme makes it trivial for people to prove who they are.



The state of digital identity in Europe

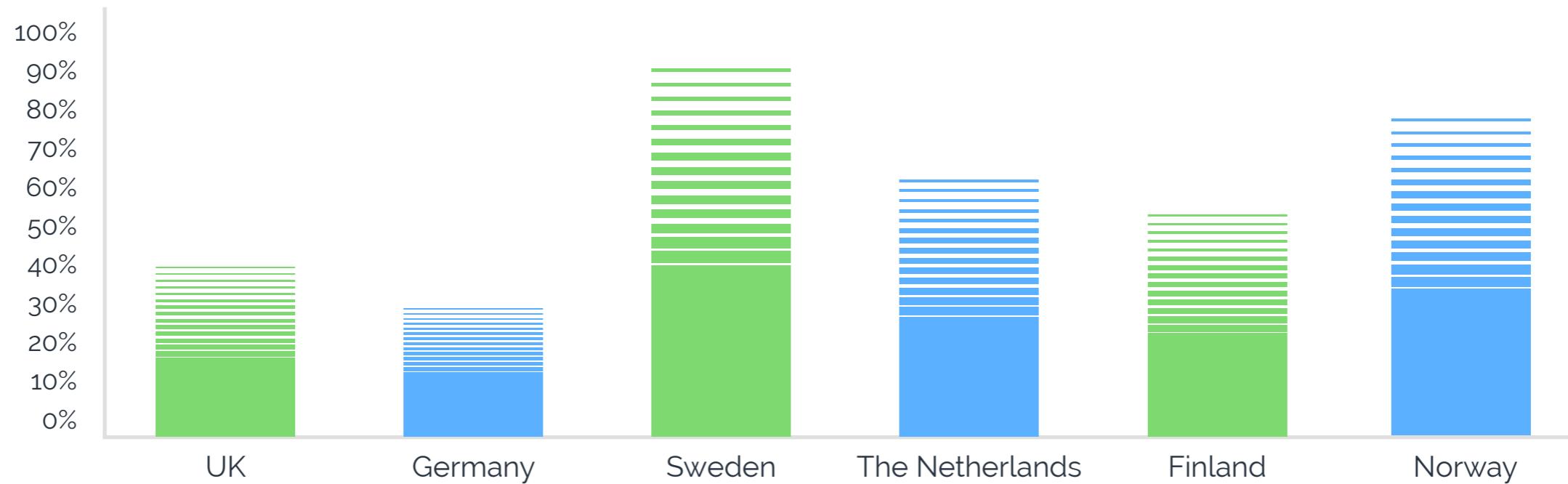
For those countries with wide adoption of digital identity schemes, on-boarding and KYC processes should be simpler and faster.

To some extent, the state of digital identity is as we'd expect right now,

though there is more confusion over the term than we might hope. 64% of consumers in the countries we surveyed (minus the UK, where digital identity is misunderstood) now have some form of digital identity.

Increased adoption is clearly having an effect—but at the same time it is not a panacea. Those countries where more consumers have digital identity have faster on-boarding—but, crucially, not fast enough.

Do you have an official electronic identity?





Uptake of digital identity is strongest in the Nordics, as expected by official figures, wide acceptance and anecdotes — we expect this from the most mature digital identity markets in Europe.

However, Germany is not seeing the same growth in acceptance as elsewhere, a problem that may be down to low uptake of digital financial services in general—where cash is dominant consumers are unlikely to see the value in digital financial services—and historical sensitivity around identity schemes.

The UK, as in previous years, remains confused about digital identity even despite our careful efforts in phrasing the question and providing examples.

53% of respondents from the UK claim to have a digital identity, but we doubt this is true. According to official figures, only 3% of the UK population has signed up to its digital ID scheme, GOV.UK Verify. This disparity is likely to be because digital identity is so unknown that people don't know what it actually is, mistaking it for web logins or other security devices.

Despite our careful formulation of the questions, people in the UK struggle to understand the concept of a digital identity—caused by and contributing to low adoption rates.

Who can fix digital identity?

Digital identity is not yet universal across Europe, despite attempts to make it so, such as the EU's eIDAS regulation that aims to make schemes interoperable across Europe. So, who can be trusted to change this?

Banks are the most trusted institution to provide and manage digital identity, chosen as the preferred provider by almost half of respondents. Meanwhile, government schemes come in a distant second at 25%. Social media platforms aren't really trusted at all—unsurprising after a series

of privacy scandals. What's perhaps more surprising is that retailers are equally distrusted, polling just 3% vs. social media's 2%.

The difference between banks and retailers is particularly interesting. Both are commercial entities, often with strong relationships with their customers, but banks clearly are far more trusted—both in countries where they come together to implement schemes, and where that opportunity still exists as potential.

Across Europe, more people say that they trust physical identity credentials (29%) more than digital identity (19%).

Of course, passports and drivers licenses have been around for a long time, increasing trust in these.



On the other hand, 57% of consumers want to or are already using biometric data to prove their identity. Despite this technology being relatively new — at least compared to passports — regular use through device fingerprint recognition is building trust.

The 14m20s challenge is not being met

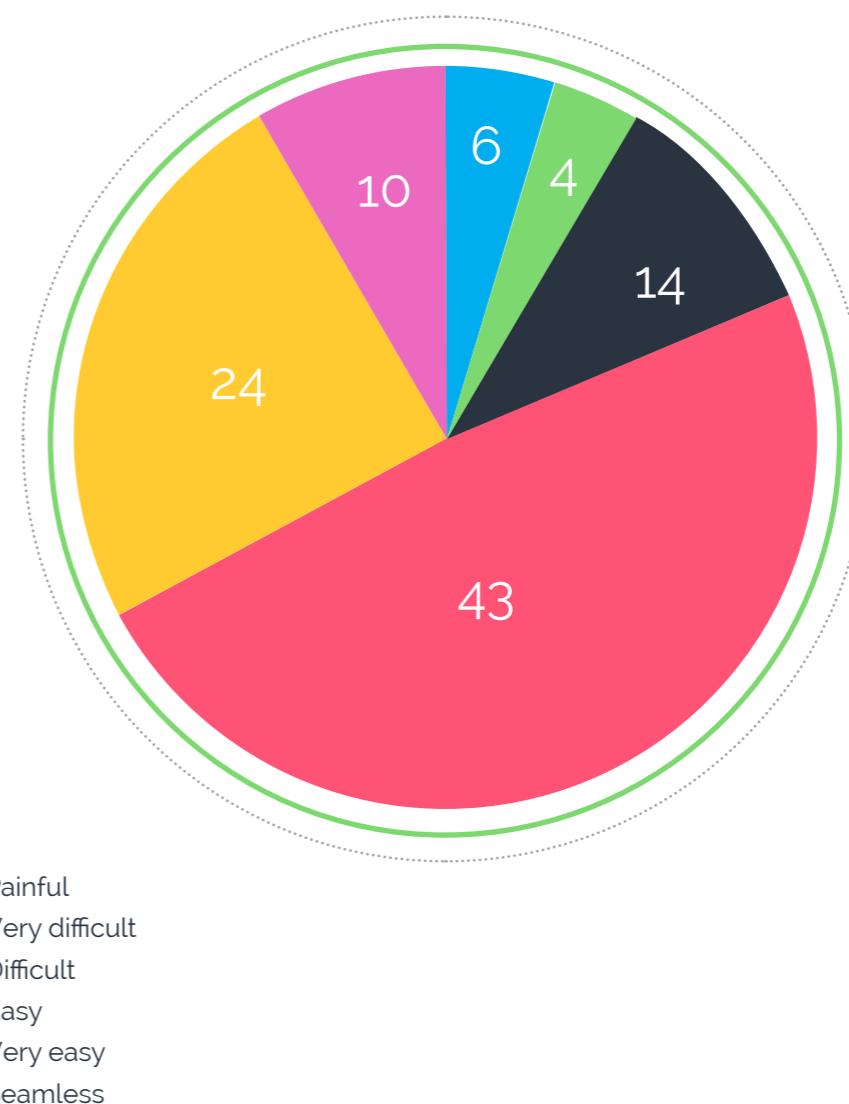
Consumer expectations and the reality of on-boarding simply don't match up.

25% of consumers describe financial services applications as somewhere between difficult and painful to complete—that's nearly one in four customers who are finding what should be a simple process tricky. Only one in ten consumers describe it as it should be—seamless.

There is no overwhelming single reason to explain this. It isn't necessarily about the time it takes—in fact, the expectations and reality aren't wildly different.

Opinion is evenly split on the length of time it takes to complete an application—a third say it takes longer than expected, a third quicker than expected, and a third say it takes around the time they would expect. Ultimately, that's one in three consumers that think that financial services applications take too long to complete.

How easy did you find the application process for a financial product?



The research uncovers two key facts that should have financial services providers worried:

When asked how long they would take before giving up on an application altogether, the average time given is 14 minutes and 20 seconds.



Around one in three (29%) applications take more than 20 minutes to complete.



This isn't an idle threat.

38% of those surveyed have abandoned an application in the last year. These are consumers that have responded to marketing efforts, and have decided to spend the time and effort needed to apply for a financial service.

But the time taken to complete the application, or the poor user experience, or possibly a combination of both resulted in abandonment. These customers should be the easiest to convert, yet financial services providers are failing to do so.

The challenge for financial services providers is, therefore, to on-board their customers in less than 14 minutes, and this is only possible with digital identity paired with an intuitive user experience.

But even in Norway and Sweden, the countries with the highest rates of digital identities, 23% of applications still take longer than 20

minutes to complete, far longer than consumers are willing to tolerate.

Abandoned applications represent money left on the table. Providers have reached and engaged consumers through their marketing and advertising and they are willing to sign up. But at the final, crucial stage, 38% of consumers are lost for the sake of a poor user experience.

This is not a sustainable situation for financial services providers looking to protect their market share, thanks to the threat of new challengers.

70% of those consumers who have used a mobile-first challenger say it is better than what they had. If these challengers get on-boarding right, and traditional financial services keep getting it wrong, this will be a big factor in whether these new providers can grab enough market share to become mainstream players.

Are challengers raising the on-boarding bar?

Challenger banks and other fintechs have tried to make their offerings simple, promoting their services as a better user experience overall, bolstered by their ability to build products without the legacy issues of other banks.

These efforts are paying off. Of the 30% of consumers who had used a "mobile-first" financial service, 70% say the service is better than what they had before and only 4% said that it was worse. With this rate of customer satisfaction, mobile-first services have a good chance of retaining customers once they are on-boarded.

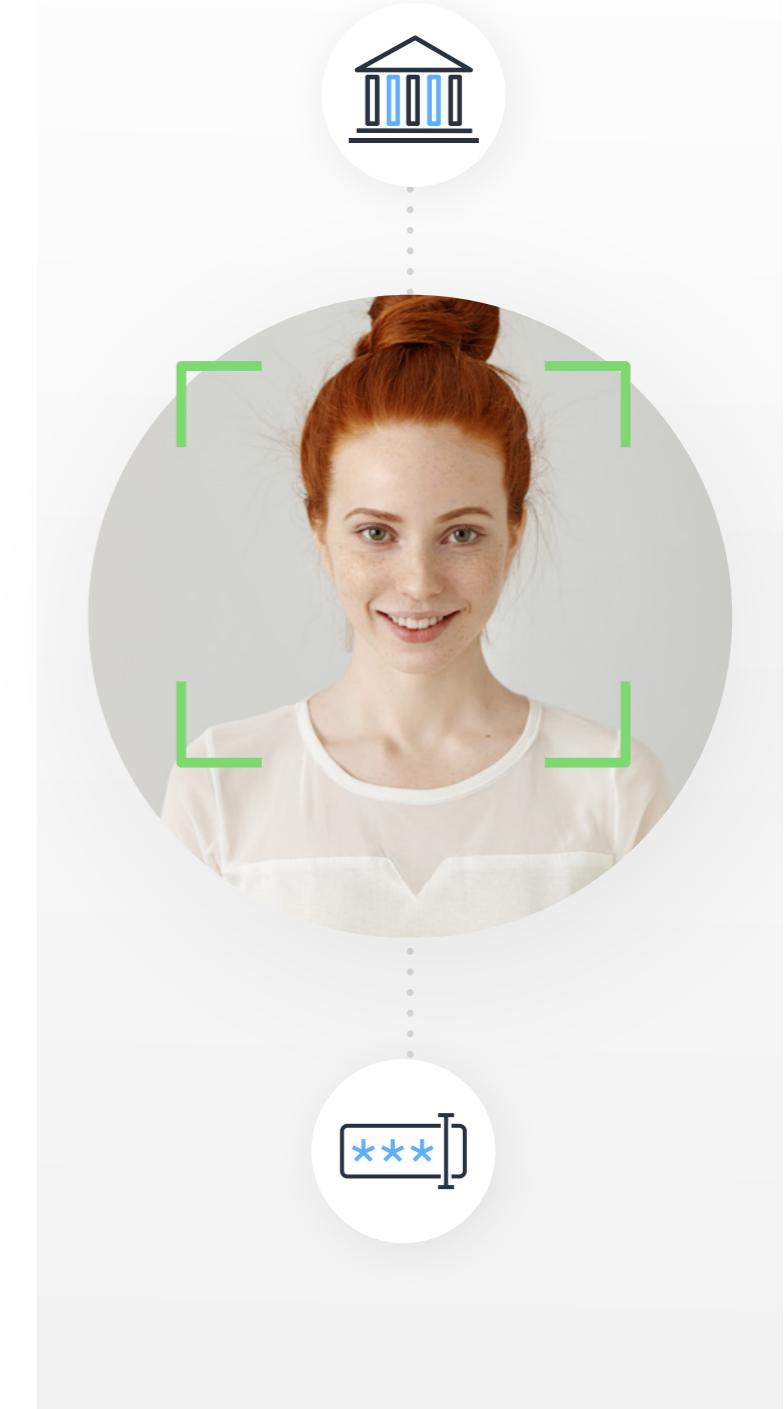
The big challenge for many new entrants to the market is customers using their products as their main account rather than as an extra—for example, having their salaries paid into a long-standing bank account while using a mobile-first account for smaller day-to-day purchases.

An unwillingness to switch is borne out by our finding that a third of respondents have been put off changing their bank account due to potential paperwork.

Challengers are increasingly used and trusted by consumers. If they can continue to offer a better on-boarding experience than other providers, then this will be a big factor in their success.

PSD2 has the potential to transform the way customers consume and on-board with financial services providers forever. On the one hand, banks are now obliged to open up their infrastructure, losing the monopoly they once had on their customers. But at the same time, Open Banking presents an opportunity for banks to become curated marketplaces from which their customers can easily access additional financial services. Digital identity is an enabler for this.

The reality is, consumers are still largely unaware of Open Banking.



Our survey revealed that half of respondents did not know that banks can grant third parties access to their information with their consent. Only a third knew for sure that this was true. It's a lack of awareness that may be what's holding Open Banking back. While around a third (31%) did not want this, the majority (39%) either wanted to do it or had already used PSD2 mechanisms for third-party products.

In general, people look favourably on the idea of on-boarding to services via an API. 29% weren't sure—suggesting that they could be convinced if they knew more.

How does the on-boarding experience change for different financial services? Previously, we'd only asked about on-boarding for financial services in general. For this report, we wanted to know where in financial services the best work was being done, so we could identify where the market could look to in order to find best practice. Our research focused on bank accounts, credit cards, and insurance, all key battlegrounds for service providers old and new.

Would you allow your bank to safely share this data to make applying for a third-party financial service products quick and simple?



- █ Yes - I have already done this
- █ Yes, I've not done it yet but will do
- █ No
- █ Not sure

Our main finding was that across all three verticals there were no clear winners or losers. In fact, there is a great deal of consistency.

By a small margin, insurance applications are seen as the most difficult and take the longest to complete—a third take longer than 20 minutes to complete.

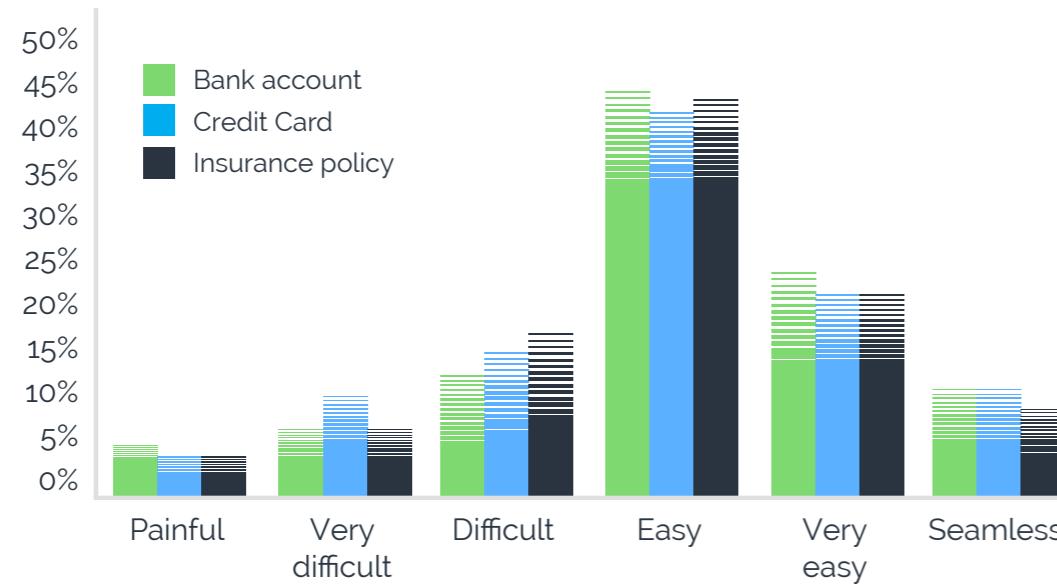
Given that insurance applications often require more information, such as details of a car or big-ticket items that need to be listed on home contents insurance, this is unsurprising.

But people expect this with insurance and don't seem to have a problem with it. There are fewer complaints about the

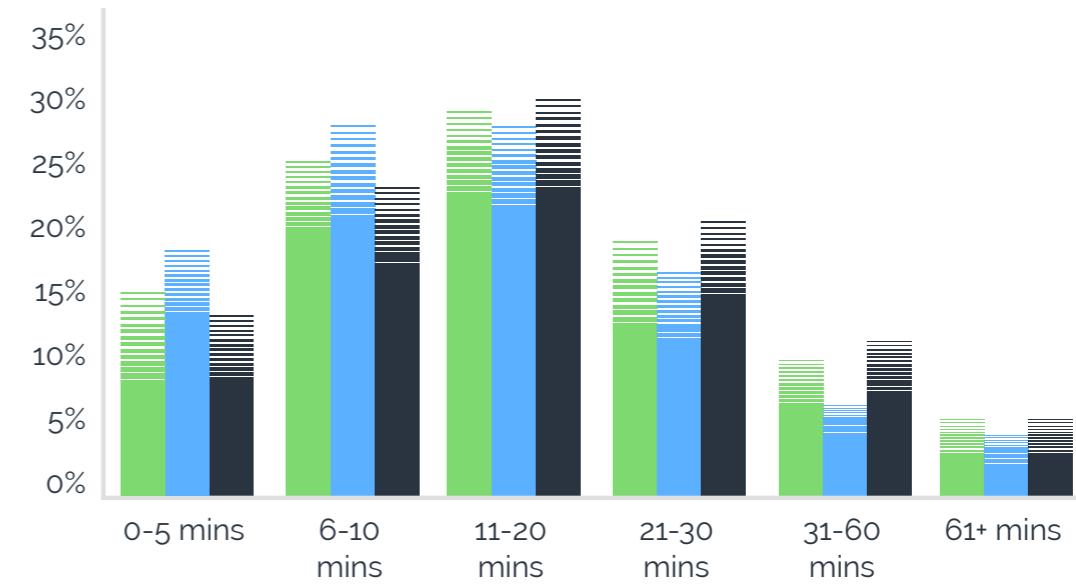
amount of information required from insurance applications than both bank accounts and credit cards.

No one vertical is doing especially well or especially badly when it comes to on-boarding and consumers will abandon applications at around the same time.

How easy did you find the last application process?



How easy did you find the last application process?



Where in Europe is the 14m20s challenge being met?

The third Battle to On-board report tackles more geographies than before. Since the first report, we've seen digital identity schemes launch and become more popular beyond the Nordics, so it makes sense to look at Europe and see how these nascent markets are performing.

When asked if they have a digital identity, consumers in Sweden (91%) and Norway (81%) lead the way. Finland is the Nordic country lagging behind at 56%. The majority of people (61%) now

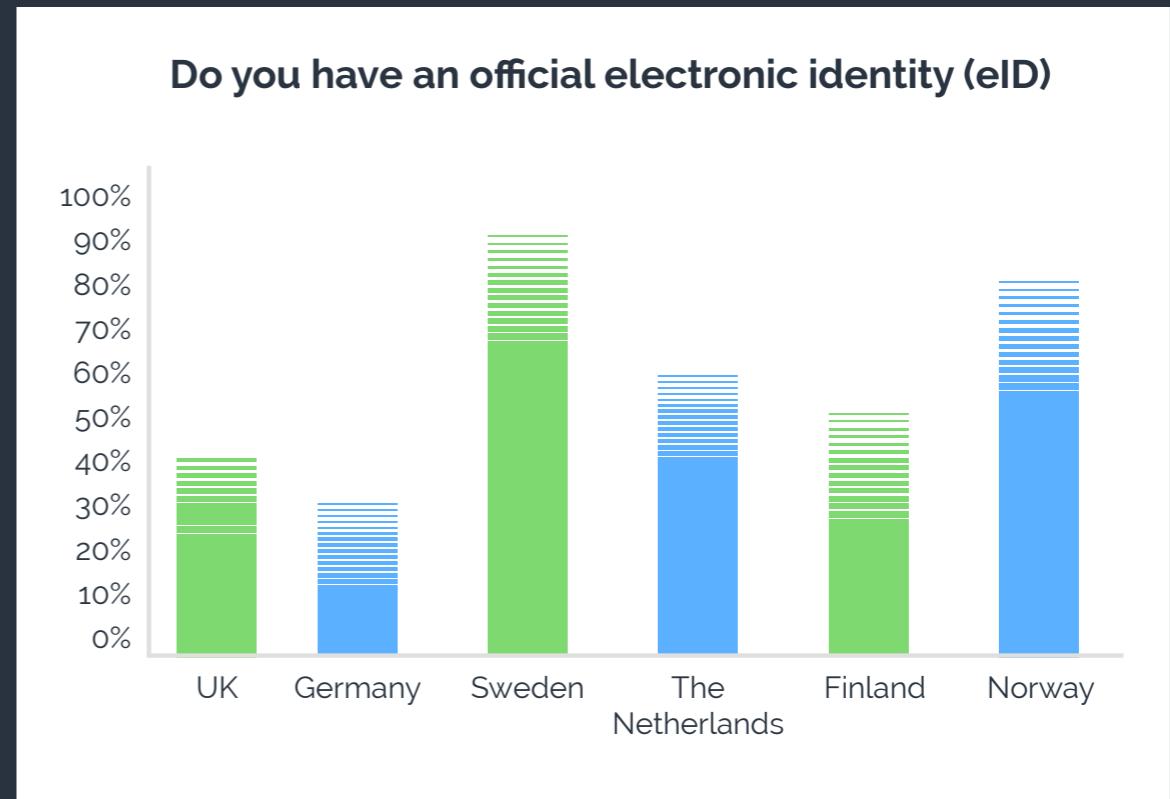
have digital identity in the Netherlands. Germany is, as is to be expected from reports, struggling at just 31%.

Identity schemes in the Netherlands are relatively young by comparison, with its BankID equivalent iDIN launched in 2016. Its government identity scheme, DigiD, used for filing tax returns and similar activities, goes back further, but has been far more successful than GOV.UK Verify.

43% of respondents in the UK claim to have a digital identity whereas official numbers are closer to a tenth of that.

Gov.uk Verify's failure is not just one of getting people

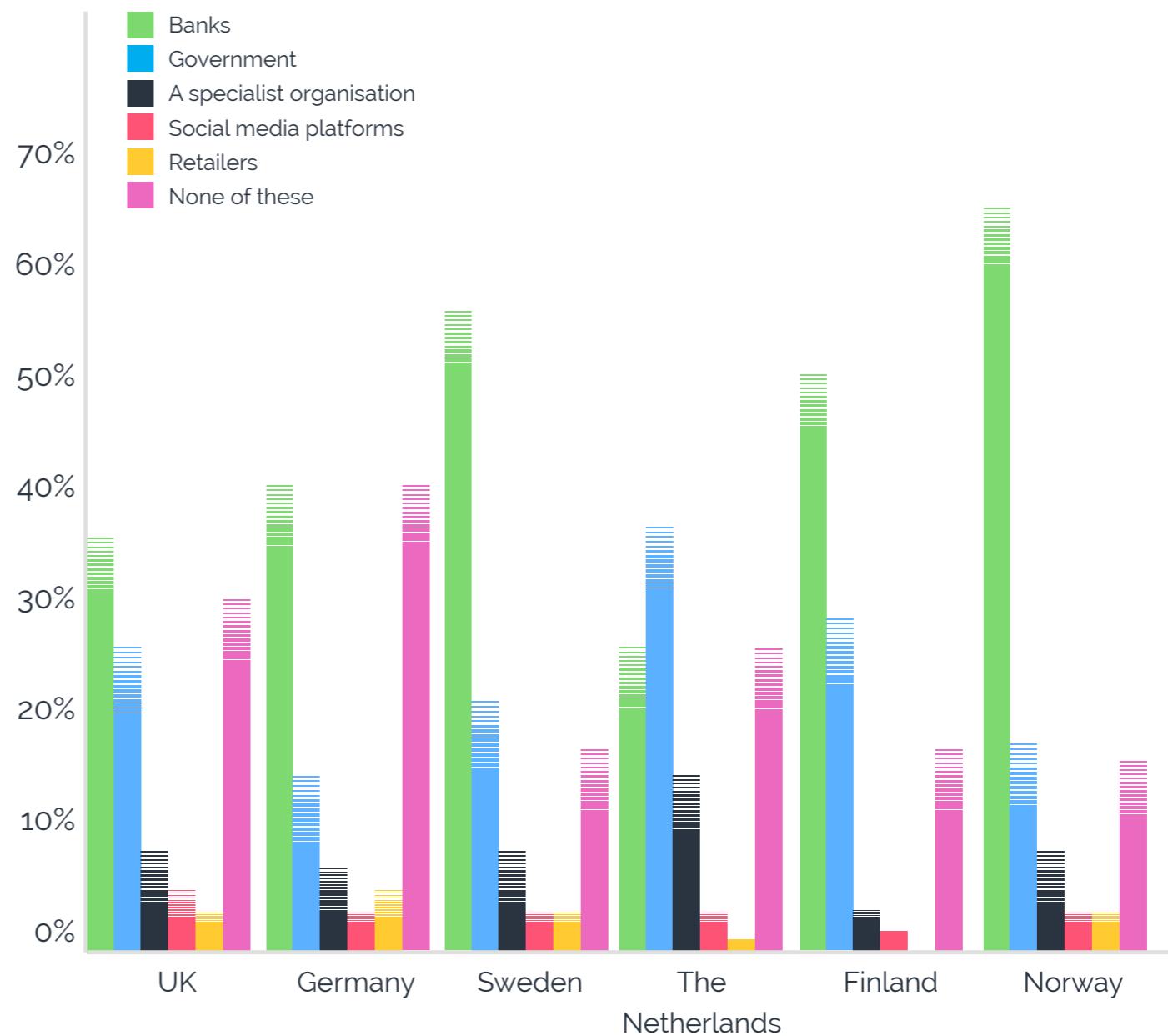
to use it — it is a failure of education in what digital identity is and what it can be used for.



In general, banks are more trusted than governments to provide digital identity, though there is one exception—the Netherlands. Here, the government is more trusted, with banks in second place. In countries where digital identity is already widespread banks are even more trusted—responses from Norway (66%) and Sweden (41%) exemplify this point.

In the one country—the Netherlands—where the government has set up and run a successful digital identity scheme, the government is more trusted. Governments and banks have gained that trust not because of who they are, but by what they have done—trust has followed success.

Who do you trust most with your data to provide and manage your electronic identity (eID)



The lesson is that digital identity platforms foster trust in those that run them, and any country that is looking to emulate successful digital identity schemes should see this as an opportunity to create better relationships with customers, rather than simply building on existing relationships.

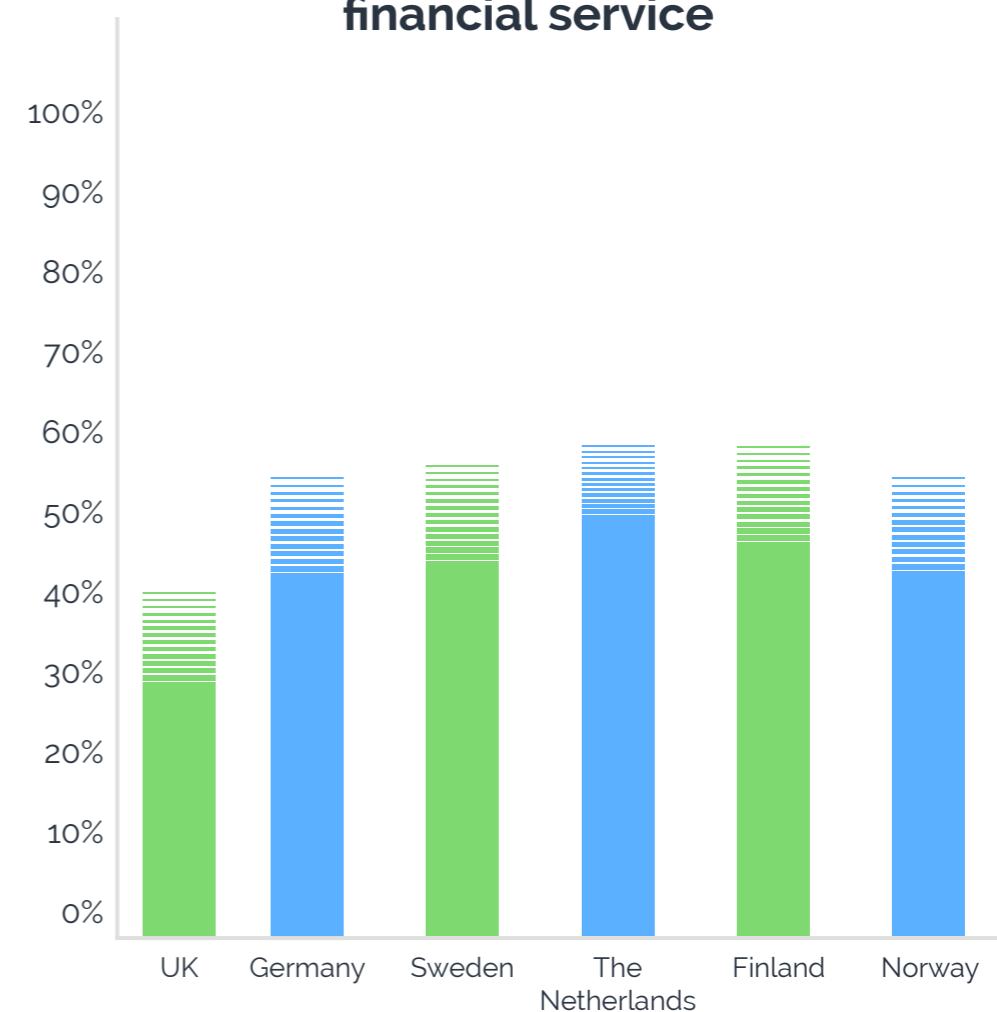
There are other ways of proving identity in a digital way—for example, by scanning paper identity credentials using a mobile device. In countries where digital identity is not so widespread, could this way of proving your identity be more popular, either slowing eID adoption or making up for this slow progress?

On average, 49% of consumers have scanned a physical ID with a mobile

phone as part of on-boarding. This number is consistent across Europe, and is slightly more common in the Nordics than in the UK and Germany. While popular, it's not currently being used as much as it could be. By and large, it is used to provide an additional layer of verification to existing on-boarding processes rather than a way to truly get around a lack of digital identity.

However, 60% of 25-34 year olds have identified themselves in this way. For younger people this is now a mainstream way of proving identity. Traditional financial services players may lose this future bedrock of customers as younger consumers switch to mobile-first challengers who will on-board them more quickly and easily.

Have you ever scanned a physical identity document (passport, driver's license) with a mobile phone and submitted it to register for a financial service

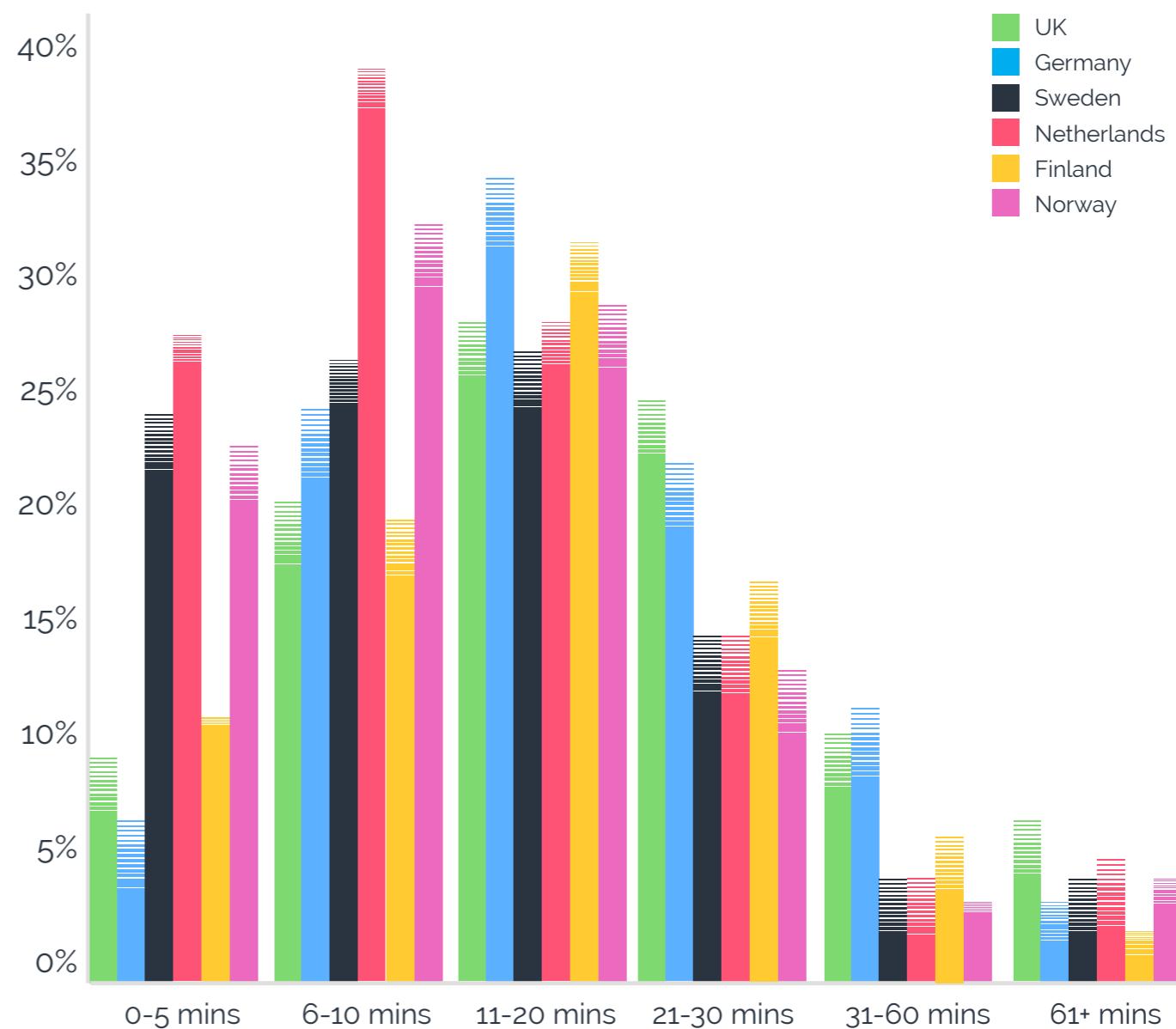


The UK lags behind—but there is still work to be done elsewhere

Digital identity has a marked effect on the length of time it takes to on-board a customer. In countries where more people have a digital identity, it doesn't take nearly as long to on-board customers for financial services.

For example, just 9% of applications take less than five minutes in the UK, compared to 23% in Sweden, 22% in Norway, and 27% in Finland. Similarly, twice as many applications take longer than 30mins to complete in the UK than in the Nordics.

How long does it take to complete an application for a financial service?



We also find that being used to the benefits of digital identity means higher expectations for a quick application process. Respondents from Finland find that account opening takes longer than expected (53%), whereas in the Netherlands, where digital identity is a more recent innovation, more respondents say that on-boarding is quicker (43%). Digital identity clearly helps, but it does not fix every on-boarding issue. As well as the time taken, Finns are also more frustrated by the information required more than any other country.

Another unexpected result, although noted in previous Battle to On-board reports, is that more Norwegians have abandoned applications than any other country (48%). This counterintuitive result shows that convenience is leading

to a fickler consumer. On-boarding in Norway is simpler, making consumers more likely to change their mind at some point throughout the process—not because of frustration, but simply because quicker on-boarding means consumers no longer see an application that is mostly complete as wasted time. Of course, this raises the stakes — any application that is frustrating is far more likely to be abandoned.

The key takeaway is that while digital identity is a big part of solving on-boarding worries, it brings with it a new set of problems. Consumers, no longer frustrated with the amount of time that applications take, are more willing to abandon them—making the whole user experience so much more important.



The Battle to On-Board: A retrospective

Having surveyed consumers three times over the last four years, we are uniquely positioned to understand if consumer attitudes to on-boarding are shifting, and if financial services providers are meeting the expectations of consumers and the challenges of on-boarding.

The data suggests that financial services providers may be turning a corner when

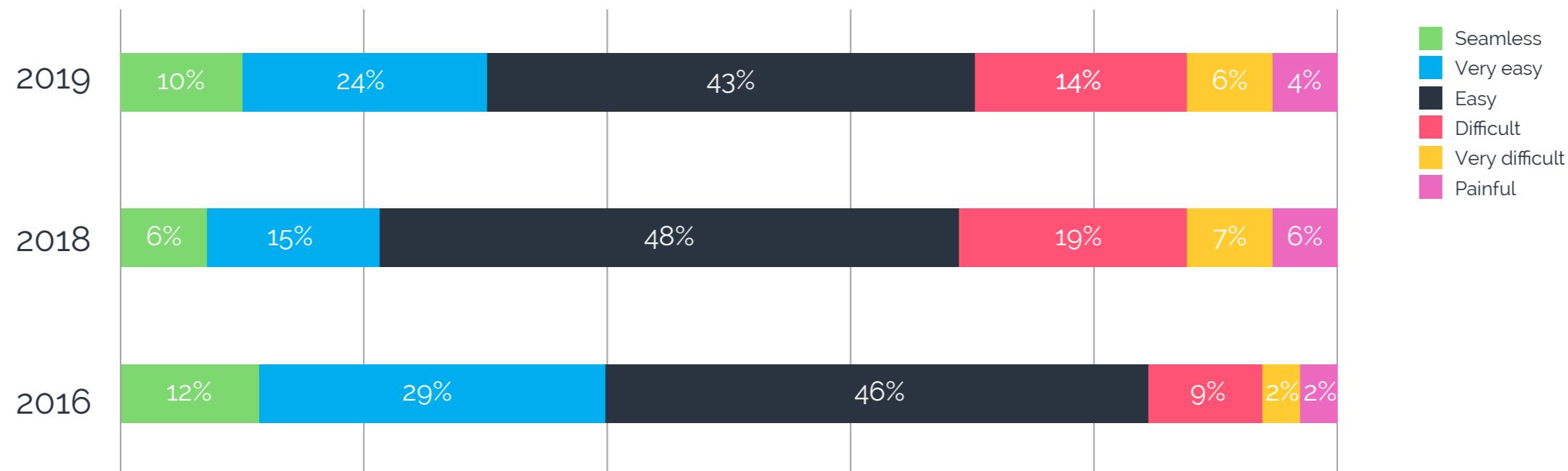
it comes to on-boarding but there is still a great deal of work to be done in creating a good user experience that does not take more time than users expect.

Also, the work that has been done to make on-boarding better has resulted in things remaining pretty much the same. Consumer attitudes seem to shift negatively between 2016 and 2018, but

have seen a small resurgence since then.

Although between 2016 and 2018, there was an increase in the number of people finding the application process somewhere between difficult and painful, this year's results show an improvement.

How easy did you find the application process for financial service?

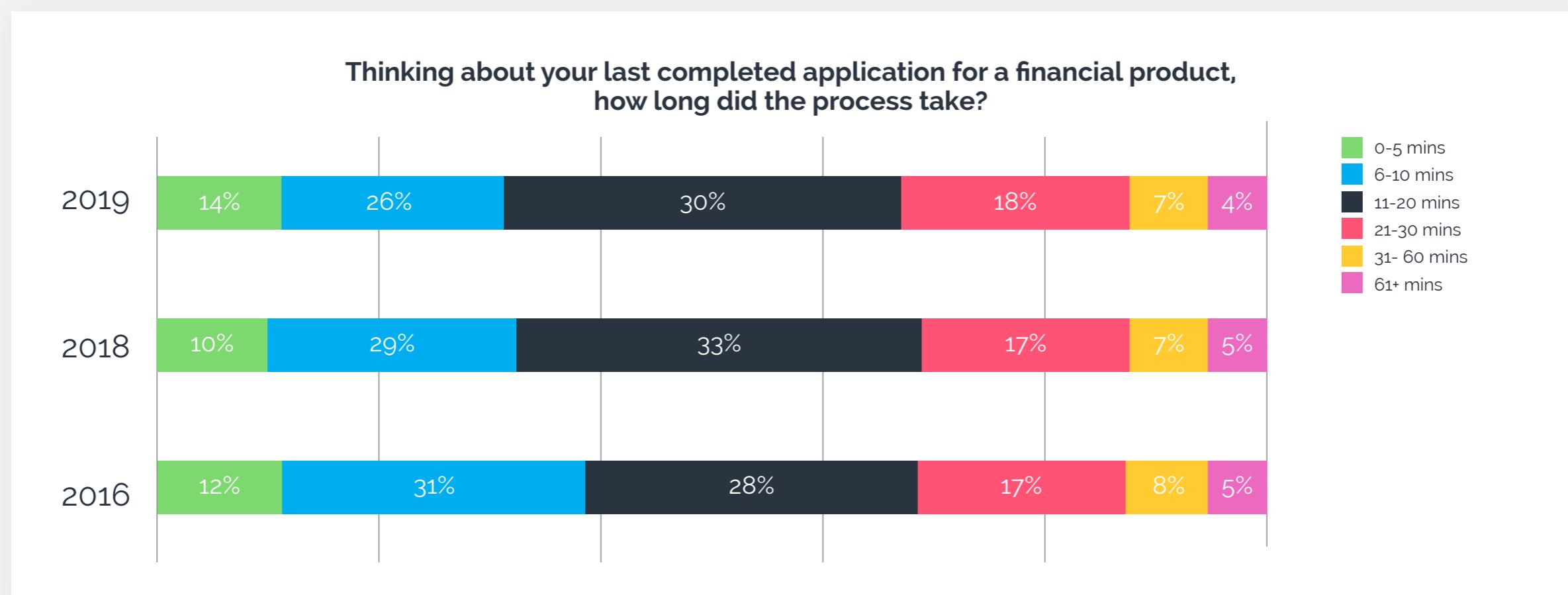


The percentage of those who had found it very easy or seamless reached as high as 41% in 2016, but this collapsed to 21% in 2018. The rise of challengers like Monzo in the UK, Komplett in the Nordics, and N26 across Europe throughout this period add further credence to the case that consumers are

increasingly frustrated and are unwilling to accept old approaches.

When it comes to how people feel about the application process, we have not yet returned to 2016 levels. Compared to then, things are very slightly worse. So, what about the time it takes to complete an application—has that changed?

The time taken to complete an application has been essentially static since 2016. This suggests that while user experience improvements have taken place, this hasn't affected how long it takes—we have slicker interfaces, but without actually making the process any quicker.

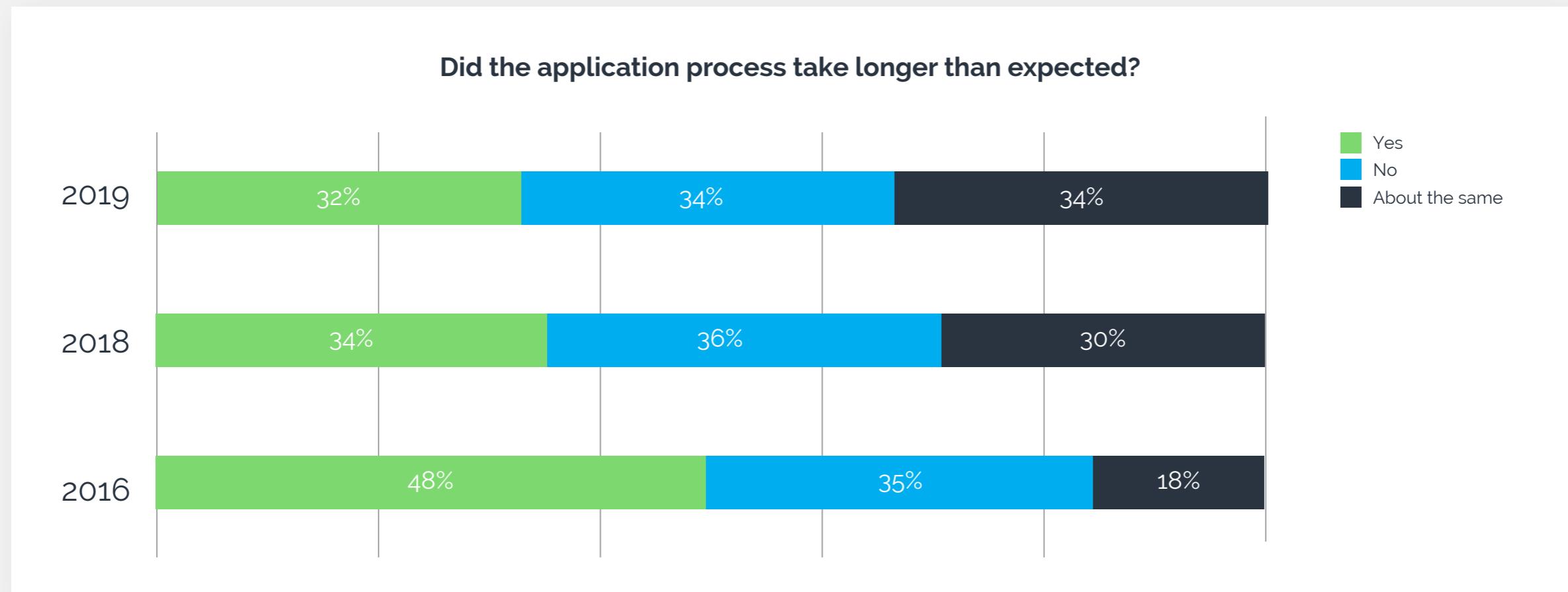


How can we make sense of this? One way is to ask if the process took longer than expected. Perceptions of the time taken have also improved. This backs up our earlier assumption: consumers do not mind taking the same amount of time to complete an application if the experience is better.

Financial services providers have been putting in a great deal of work to

make their offerings more palatable to consumers who expect a better digital experience—investing in digital transformation for both their internal systems and the user experience. These efforts are clearly having an effect, but it is far from the revolution that on-boarding needs, especially as the adoption of digital identity becomes more widespread.

Our research shows that, as digital identity gains wider adoption, consumers are overall happier with the on-boarding experience—but at the same time they are more likely to abandon applications on a whim. Digital identity is a key part of creating a better experience, but brings with it new demands on the financial services provider.

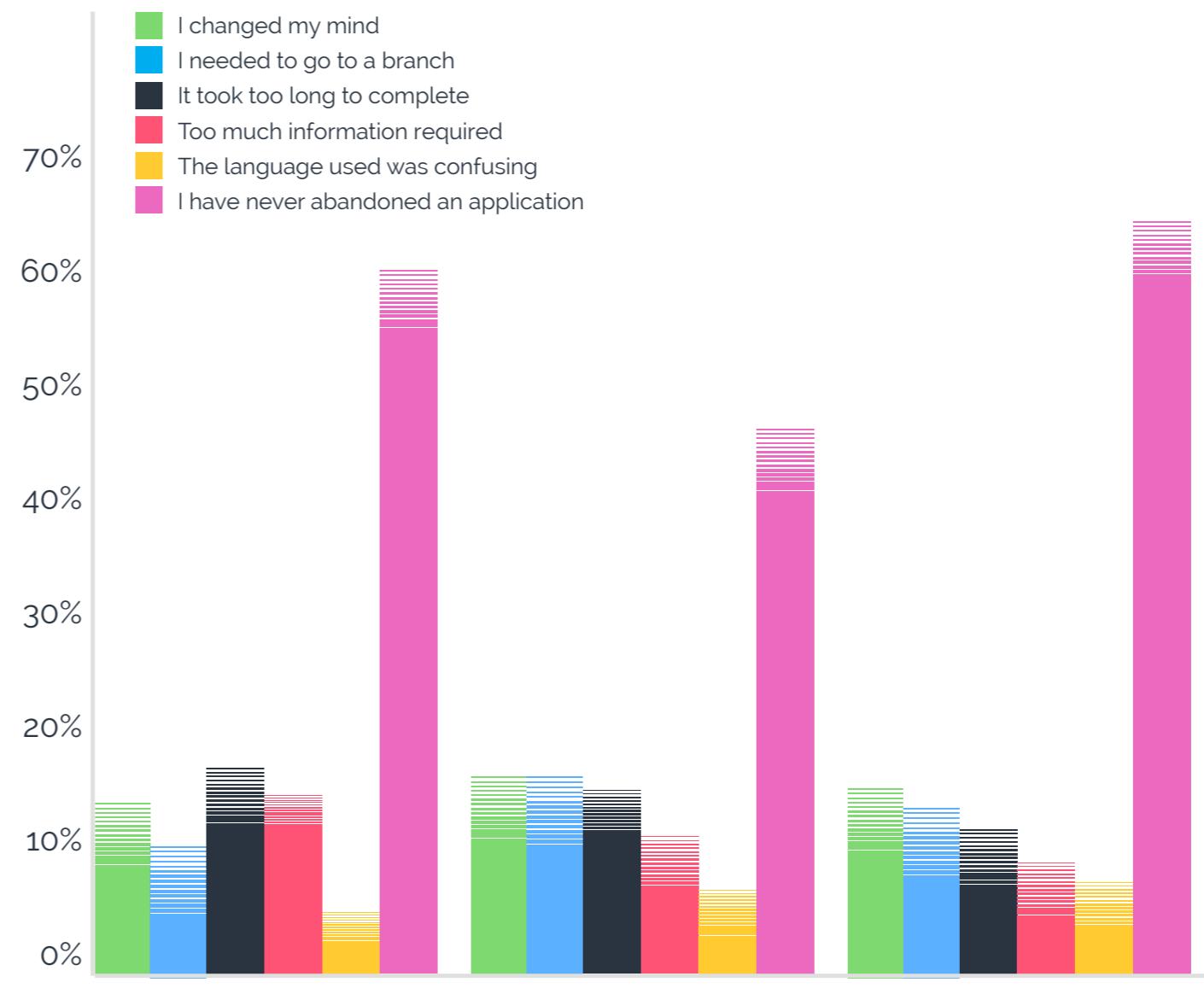


When and why do consumers abandon applications?

The amount of time consumers were willing to take changed between 2016 and 2018—in 2016, 34% were willing to take longer than 20 minutes, two years later that had dipped to 29%. Attitudes shifted in that time. But since then, those attitudes have remained remarkably static—the numbers in 2018 and 2019 are almost identical.

In the same time frame, we see an increase in the number of people who have abandoned applications, from 40% to just over half. This then decreases back to 38%. After our disastrous findings in 2018, there's been a recovery back to the merely awful findings of 2019—less than half of applications are abandoned, but it's still nearly two in five.

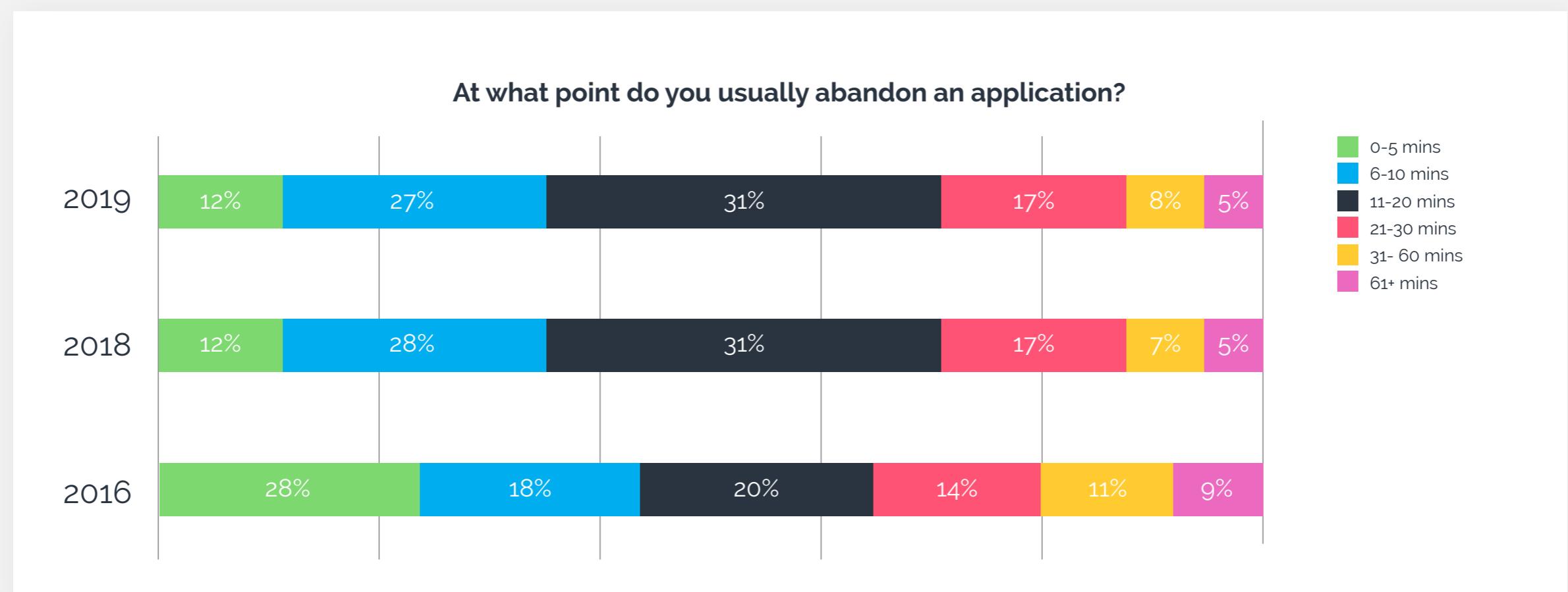
If you ever abandoned an application, and why?



Consumer attitudes shifted between 2016 and 2018, leaving financial services behind. People no longer had the patience to deal with complex questions and old-fashioned user interfaces. The demand for better on-boarding wasn't being met.

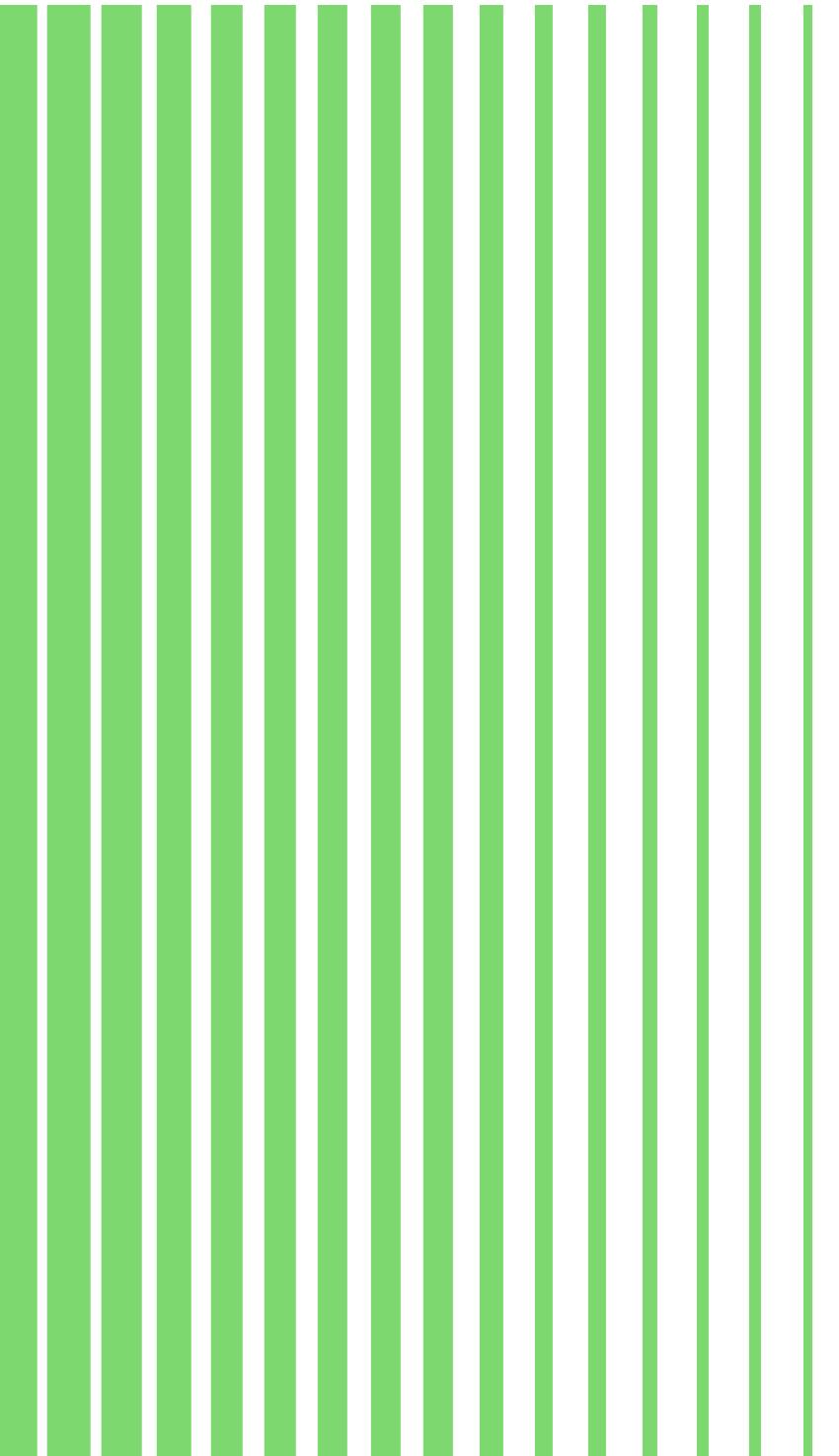
This has changed... a little. The work that financial services providers have put in to improving the user experience has reset the clock back to 2016—consumers are just as dissatisfied as they were three years ago. This shows that while some work has been done, there is still much to be done. Financial services providers

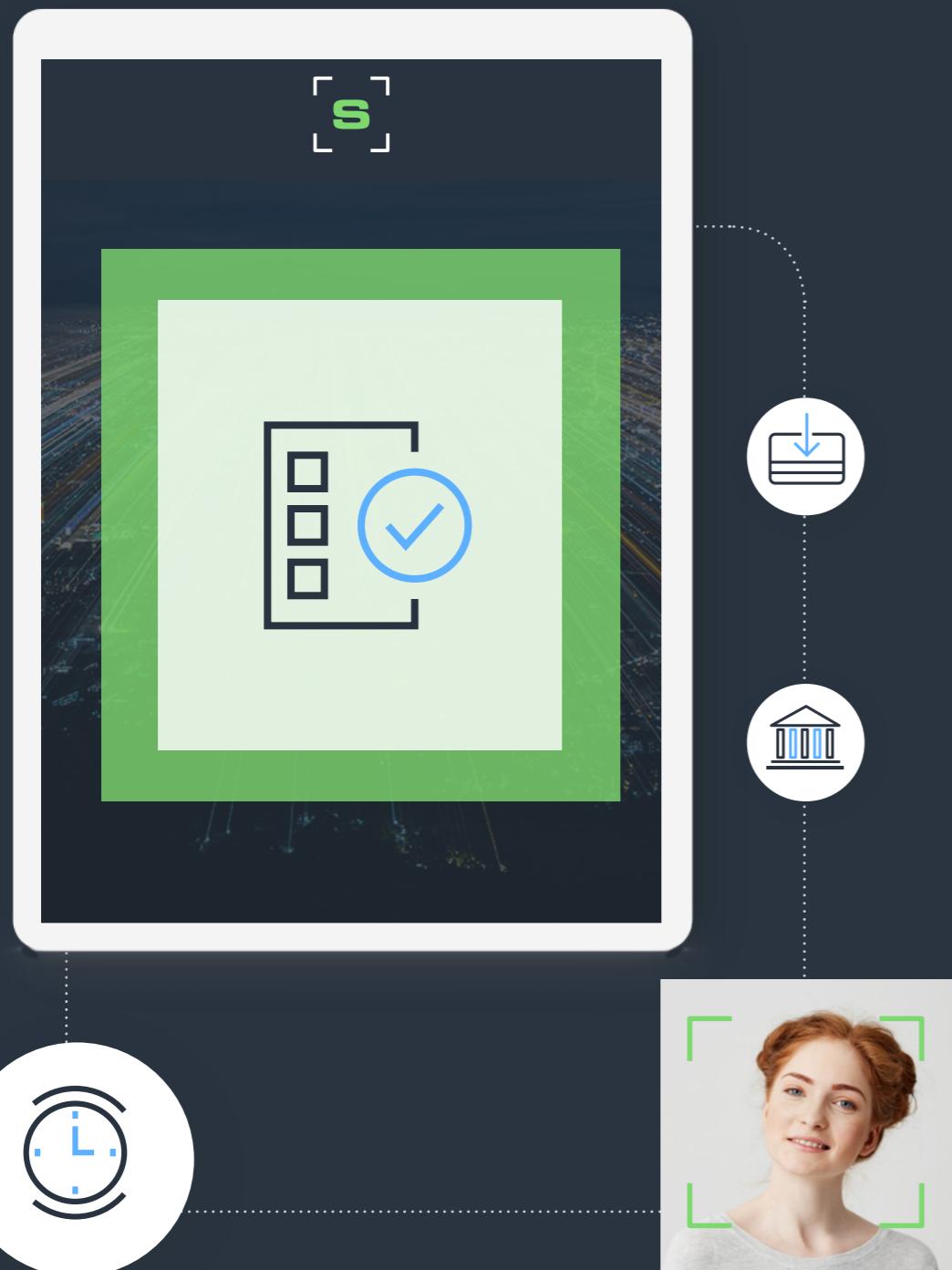
find themselves in the same situation as 2016, knowing that they need to do more to make on-boarding simpler. But while they have the advantage of knowing what needs to be done, they have also spent three years with no progress, in a market where new competitors are an increasing threat.



Conclusion & key takeaways

Digital Identity is a must—but not enough on its own.





Past Battle to On-board reports have pointed to an inevitable conclusion—financial services providers are not doing enough to make on-boarding easy and digital identity is key to fixing the problem.

This was good news for banks—trust and ID services present a lucrative business opportunity at a time when traditional revenue streams are under threat.

What this new report makes clear is that digital identity is not optional, and it's not enough on its own. Banks, credit cards, and insurance providers each have just 14 minutes to get their customers from the start of an application to the end, otherwise they are more than likely to lose the customer altogether.

This is near-to-impossible without digital identity—other ways of proving identity simply take too long.

However, the results from countries with widespread digital identity show that, while it is necessary, it is not on its own a solution to abandonment. In Norway, where digital identity is widespread, applications are much quicker to complete but consumers are more likely to abandon these applications. The reason? More than likely they simply changed their mind.

Robust digital identity schemes with wide applications are necessary to avoid frustrated customers, and financial

services providers need to step up and collaborate to create these, if necessary. But at the same time, if these systems are in place, providers can't rest on their digital identity laurels.

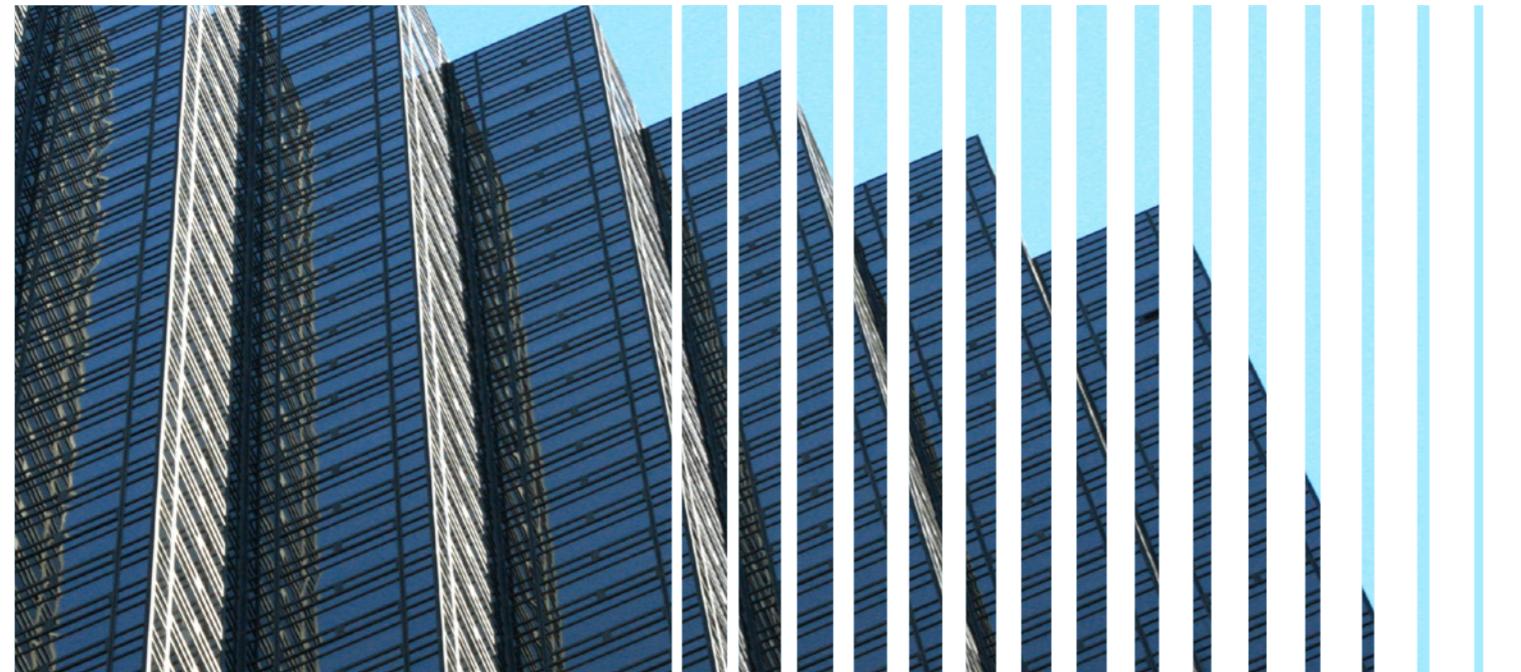
By creating on-boarding processes that are simple, consumers are freer to shop around and to change their mind—without the sunk cost of time to worry about, abandoning an application becomes an easy choice to make rather than something borne out of frustration.

The “Red Queen” race that financial services providers find themselves trapped in means that digital identity is a must, but it will create new problems. Without digital identity, however, they will not be able to take part in the race at all.

Methodology

The survey was conducted by Sapio Research in March 2019 and consisted of an online questionnaire completed by 3500 adults with a bank account, credit card and an insurance

policy—1,000 in the UK and 500 in each of Germany, Sweden, Norway, Finland, and the Netherlands.



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