

# Customer experience in financial services: today's challenges and opportunities



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As the future of financial services becomes increasingly digital, banks are now under tremendous pressure to automate, streamline service delivery, enhance their speed to market, and - perhaps most importantly - differentiate themselves by delivering new standards of customer experience (CX).



Source: Supplied. James Bayhack, director for sub-Saharan Africa at QM.com

So, how are today's financial institutions navigating the challenges and opportunities of meeting modern customer expectations, and what role does technology have to play?

## The moment of truth

Financial services are part of everyone's daily lives, but our interactions with banks are not that frequent. They may concern life-changing events such as pension-fund services, or relatively minor developments such as obtaining extra travel insurance or switching an account. There are only a handful of critical moments of customer interaction throughout the year, which is why businesses should strive to deliver the best CX during those 'moments of truth'.

A great CX can be worth more than a superior product or efficient processes. Because financial services play such a significant role in our lives, customers invest a great deal of emotional energy into dealing with matters that are stressful, urgent, and of consequence. And when dealing with things like insurance, pensions, loans, or mortgages, the last thing they need is poor CX causing frustration.

People usually contact their bank only when it is strictly necessary, and those interactions need to go smoothly. That is why as many as 82% of financial services customers rank CX as one of the top three factors when selecting a bank, credit card, or loan provider.

Financial-service businesses need to act when it matters most, and that often means getting customer interactions right the first time. By achieving a quick, early win where everything runs smoothly from the start, businesses can demonstrate their value and potentially gain a lifetime customer. And with the help of data, automation, digital payment solutions, or self-service channels, businesses can create moments of customer delight or fix pain points across their entire journey.

## Out with the old, in with the new

Modern customers expect most things to be managed digitally, which is why most financial service providers are doubling their digital transformation efforts to deal with outdated IT infrastructure and slow or siloed business processes. Considering the rising adoption of mobile and online banking, many banks are cutting down spending on branches to invest in self-service digital channels.

FNB, for example, has made significant investments in digital solutions to accommodate changes in technology, educate consumers, and improve access to financial services. Their multi-channel Clicks-to-Bricks strategy, which fully digitalised in-branch, online, and mobile banking experiences, earned them a win in the 'best mobile experience' category, as part of the Bank Customer Experience (BCX) Awards.



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But with all the new opportunities that come with a digital-first business model, businesses need to ensure that their legacy technologies and their new solutions are in sync. Legacy applications are prevalent among well-established financial institutions, and as many as 68% of CX professionals also believe that legacy contact centre technology limits their ability to improve CX. Communication channels therefore need to be able to deliver efficient customer interactions – at scale – in a way that can track and prioritise parts of the experience that matter most.

But not all legacy systems can be replaced, which is why organisations should also strongly consider adding an agile application layer around these legacy systems. However, this cannot be done when siloed processes and IT operations result in a disconnected CX.

Rather than viewing customer interactions as a series of separate transactions, financial service providers need to have an integrated and holistic view of the entire customer journey. This means formulating a CX strategy that is cross-functional and omnichannel to deliver services consistently and on the communication channels customers prefer.

## Customer service re-imagined

New and innovative digital solutions are constantly emerging in the financial services sector, and as they evolve, user trust in them is increasing. Chatbots and conversational AI, such as ABSA's award-winning chatbot, Abby, now offer security and privacy in a way that makes customers more comfortable sharing sensitive information. These chatbots are also greatly improving CX by providing personalised interactions at scale, as well as more efficient self-service capabilities.

Talking to a human agent for simple enquiries can be a long process that not only frustrates customers but also puts strain on a business' contact centre resources.

But technology alone cannot resolve all customer inquiries, which is why a combination of self-service and human interaction is needed. More complex or urgent inquiries that require hands-on assistance or emotional reassurance can simply be handed over to a human agent.

## CX is a lifetime investment

Technology has become an integral part of today's CX landscape. Old banks are facing fierce competition from up-and-coming fintech companies taking advantage of their inability to keep up with the pace of digital innovation. New market entrants like Bank Zero, Yoco, Lulalend, and EasyEquities are just a few examples of many innovative fintech companies that are disrupting the finance sector – and each year more of them are cropping up.

In this increasingly competitive market, finding the right technologies to build smart and scalable customer service has become crucial for meeting today's customer's high expectations. Organisations now need to be able to offer personalised, omnichannel services and manage fully featured communication channels that can deliver richer CX.

Financial-service customers are often life-long customers, so offering them the best experience at the right moment is a life-time investment that pays dividends.

## ABOUT JAMES BAYHACK

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