



Greg Bierl is senior vice president of revenue and counsel at Compliance Systems.

COMPLIANCE

Consumerization Comes to Compliance

Banks know by now that mobile enablement is critical to the success of their digital channel.

No doubt your institution has adopted digital strategies intended to grow and support a touchless customer experience for online account opening and mobile lending. But technology makes a lot of things possible that never catch on with consumers. The digital channel is part of your business planning because consumers consider a well-designed digital experience to be a nonnegotiable metric that defines their satisfaction with any financial institution.

Banks' response to consumer demand is known as "consumerization." Research firm Gartner defines consumerization as the impact that consumer-originated technologies have on enterprises, and how enterprises can take advantage of new technologies that originate in the consumer space. Consumerization is not a strategy that businesses can choose to adopt or ignore. Consumerization can only be addressed — it cannot be stopped.

Compliance Underpins Experience

Consumerization doesn't stop after your customers select an online account or complete an online loan application. It permeates every aspect of digital banking, including compliance.

It's easy to overlook this last-mile component, but this is typically where an organization's lack of investment becomes most apparent to customers.

The story of regulatory compliance is the story of your institution's relationship with your customers. If compliance regulations disappeared tomorrow, institutions would still need the trust of their customers to survive and thrive. "Integrity" may not sound like the most logical synonym for compliance, but it works pretty well. Safeguards against financial crime, market abuse and conflicts of interest sit side-by-side with protections for consumers, investors and data. Compliance is the consumer's proof of this integrity.

It is inevitable that compliance content would be subjected to the same forces of consumerization. The question now is: What exactly do consumers want from their institutions? Bankers only need to take a look at the choices they've already made to optimize the digital channel to find these answers.

Mobility First

Account opening and lending have evolved from actions performed on the web browser to mobile experiences. Your institution is trying to reach consumers who are conducting more of their financial business on a smartphone. More than 43% of U.S. mobile banking users switched their primary financial institution for reasons related to mobile banking, according to 2021 data published by analytics software Statista.

Compliance content needs to be designed for mobility, not to fit pages coming off a printer. If consumers are pinching, zooming, squinting and reorienting their device to process and comprehend the legal engagement they are about to enter into with your institution, you have failed the last-mile test.

Supporting the Journey

Compliance shouldn't add friction to the mobile banking workflow. Banks have the same objective for minimizing clicks in their compliance content as they do with the other steps in the digital banking workflow. Compliance language that has been artificially separated into multiple PDFs stalls consumers' forward progress, potentially creating user frustration with the experience and risking abandonment.

This includes content written for the consumer. Most bank mobile apps have been designed to speak the consumer's language: The user interface is direct, easy to understand and avoids jargon. Compliance content has to be held to the same standard. Compliance partners should maximize flexibility to tailor bank content for consumer consumption, rather than limit the bank to unhelpful language that leaves customers confused about their banking relationship.

Banks need to sustain their relationships with consumers; compliance content can be the ideal avenue to extend and strengthen this connection. Adverse action content, for example, can satisfy regulatory compliance regarding the denial of credit while also promoting other loan products that might be an appropriate fit for the consumer's credit profile. Banks could also provide information and guidance on how consumers might improve their credit scores.

The consumerization of compliance represents a unique opportunity for banks to maximize the last-mile experience in their digital channels and support customer engagement goals. The key is to look for highly configurable solutions that can be delivered as mobile device-friendly web pages. Incorporating strategic partners on compliance can help institutions deliver a more competitive consumer experience.



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