IMPROVING APPLICATION EXPERIENCE

Find out about the barriers that prevent financial institutions from delivering their customers a seamless application experience, and how these issues can be resolved to enhance the overall application journey.

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""“Challenges are what make life interesting and overcoming them is what makes life meaningful.”
- Le Keqiang

Table of Contents

Introduction 5

Barrier #1 – Slow application 7

Barrier #2 – Difficulty of application 9

Barrier #3 – Limited coverage 11

Barrier #4 – Fraudulent activity 13

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[1]*Envestnet | Yodlee Account Verification: Accelerating Financial Innovation. Redwood City, CA. November 25, 2014.*

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INTRODUCTION

It isn’t enough to just build a financial services application for your consumers to use. Rather, a user's experience with an application will significantly determine whether they will continue to use or exit it. A significant component to financial applications is the account verification phase. This component has a high frequency of application abandonment. In this publication, we will cover four of the main common barriers that commonly make users exit the verification process.

"37 percent of consumers reported opening a checking account online because they thought it would be faster. "

- Sean Bowen

[2] *Bowen, Sean. "Banks Need to Make Mobile Apps An Experience." The Financial Brand. April 15, 2015. Accessed October 6, 2015.*

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BARRIER #1 – SLOW APPLICATION

Studies have shown that on average if it takes longer than 3 seconds for an application to load, nearly half of the application users will exit the application.

Consumers expect applications to operate smoothly and fluidly. Though desirable, this is generally not the case for account verification stages. For most account verification processes, customers are required to undergo multiple verification stages to ensure fraud prevention. Usually, this involves users needing to verify micro-deposits to their bank accounts which may process over many days. A slow process that fails to make this tedious stage seamless will often be the cause of customers abandoning the application.

"Millennials – in particular – have a "need for speed." They want their customer experience to be personalized, glitch free and faster."

- Jeanine Swatton

[3] *Swatton, Jeanine. "7 Habits of Highly Successful Fintech Startups." Yodlee Interactive Blog. August 10, 2015. Accessed October 1, 2015*

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BARRIER #2 – DIFFICULTY OF APPLICATION

Capturing one's attention span online is not an easy task. Consumers that are browsing online usually have minimal patience. A complicated account verification process that requires users to complete many forms and proceed to many stages, will frustrate them. Frustrated users will potentially result in them abandoning the process.

The verification process in most cases is the first step of account creation. If this process isn't smooth for the user, users will give up proceeding and assume that it is not worth their time to continue.

" [If] account verification ... process is frustrating, time-consuming, or exclusionary, customers will ultimately go elsewhere to conduct their transactions."

- Evestnet

[4] *Envestnet | Yodlee Account Verification: Accelerating Financial Innovation. Redwood City, CA. November 25, 2014.*

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BARRIER #3 – LIMITED COVERAGE

An application verification process should expand access to a network of as many financial institutions as possible. A larger network allows you to cater to more customers. Having a limited network of financial institutions will only block you from reaching a significant amount of potential customers.

"Managing risk and meeting compliance requirements makes the brass ring of innovation often seem just out of grasp."

- Eric Lindeen

[5] *Lindeen, Eric. "What's Holding up Your Mobile Bank?" ZootBlog. April 22, 2015. Accessed October 6, 2015.*

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BARRIER #4 – FRAUDULENT ACTIVITY

Fastening and simplifying the whole process of account verification can be an effective way of reducing the number of exits by users. However, the offset of having a faster method is an increased risk. There is less verification of the user, of who they are and the legitimacy of their application. Fraudulent situations could serve to be of high cost.

To create the ideal account verification process, you should simplify the process for your customers and make it quick to complete. At the same time it must be effective enough to keep fraudsters away which you can do by maintaining strict compliance.

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