



Case Study: Optimizing CIP Analysis for a Mid-Tier Bank

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The Challenge

To support compliance and improve customer experience, a U.S. mid-tier bank with nearly 300 branches wanted to improve the accuracy of its CIP process for account opening.

This bank serves communities with large numbers of unbanked and underbanked households. These are the types of households that make up the roughly 30% of the U.S. population that are largely invisible to traditional account-screening services.

The bank found that, even when they could find CIP data for applicants, 80% of applicant data included some kind of discrepancy, such as a name not matching a Social Security Number or an address not being current. To resolve these discrepancies, the bank was employing 8 full-time back-office bankers, who reviewed applicant data and worked with data sources such as 411.com and SSA.gov.

This labor-intensive process for CIP analysis produced several undesirable results:

- **Poor Customer Experience**
The customer experience at account opening was often slow, confusing, and frustrating, lacking any real-time analytics that could resolve discrepancies on the spot. In addition, some customers would leave the branch thinking they had a new account, only to find that the account had been closed several days later because of CIP issues.
- **High Labor Costs**
To vet CIP data and to resolve CIP discrepancies, the bank relied on five full-time employees (FTE)—back-office bankers—who each processed about 2,000 applicants/month. Fully loaded costs for an FTE in this role are roughly \$45,000/year.
- **Risk of Compliance Violations**
This slow, error-prone process for CIP analysis put the institution at risk of censure from regulators.

To address these problems, the bank began searching for a new account-screening solution that they could easily roll out to their branches, improving real-time screening without burdening front-line staff with excessive training or additional processes and paperwork.

The Solution

After running solutions from multiple vendors for a comparison test, the bank chose DSI's Accelerated InsightSM, a Web service that provides real-time identity verification and product guidance for new applicants, enabling organizations to grow revenue while supporting financial inclusion. Built on DSI's proprietary discovery system, Accelerated Insight seamlessly integrates with front-line and online platforms, as well as with mobile apps, improving decision-making and account segmentation across all channels. Accelerated Insight enables banks to segment customers and offer product guidance, grow revenues, prevent fraud, and comply with KYC/CIP, Red Flags, and OFAC.

To help its back-office bankers resolve CIP discrepancies more quickly, the bank also chose Accelerated Insight WorkbenchSM, a back-office workflow solution for managing CIP investigations to reduce errors and streamline account opening.

The bank began by using Accelerated Insight Workbench to process all the CIP inquiries submitted in batch mode by branches. Then the bank rolled out Accelerated Insight as a real-time account screening service to its branches in phases, 50 branches at a time, reaching all its branches across three states within 7 months. The roll-out went smoothly, requiring only minimal re-training of branch staff. Adoption was quick and seamless.

Results

Using Accelerated Insight and Accelerated Insight Workbench, the bank was able to meet and exceed its expectations for improving customer onboarding and improving the efficiency of its CIP analysis.

Specifically, the bank was able to:

- **Streamline Customer Onboarding**

Accelerated Insight was able to verify applicant data even for unbanked or underbanked applicants and delivered discrepancy data in real time to branch staff. As a result, more CIP verification took place at account opening rather than in the back office. Account opening became simple and straightforward.

- **More Accounts Remained Open**

Accelerated Insight enabled the branch staff to have more informed interactions with customers. They were able to resolve most CIP issues in the branch, rather than leaving them to be resolved days later by the back-office team. As a result, fewer accounts were closed by the back office staff, and sales results for the branches improved.

- **Reduce Costs**

By adopting Accelerated Insight and Accelerated Insight Workbench, the bank was able to reduce its back-office CIP staff from 5 FTEs to 2.5 FTEs, achieving an annual cost savings of over \$110,000 in salaries alone. In addition, because Accelerated Insight returned current mailing addresses for the roughly 30% of applicants with outdated address information on their identity documents, less mail was returned because of wrong or outdated addresses. Accelerated Insight helped the bank communicate with its customers more promptly and affordably.

- **Reduce Errors**

Accelerated Insight Workbench also reduced documentation errors by providing a systematic, queue-driven system for managing, examining, and annotating CIP dossiers.

- **Monitor New Account Opening Policies**

Even with real-time front-end support, institutions may find it difficult to ensure that branches are consistently making account-opening decisions in accordance with corporate policies. Accelerated Insight Workbench provides the bank's management team with an easy way to monitor branch decisions, ensuring consistent application of policy enterprise-wide for both loss prevention and revenue generation.

- **Support Compliance**

Through its higher match rates and more accurate CIP results, even for unbanked and underbanked applicants, Accelerated Insight and Accelerated Insight Workbench help this bank ensure that they are compliant with KYC regulations.

Conclusion

This bank's experience demonstrates the power of Accelerated Insight for improving financial results and customer experience for a financial organization.

Accelerated Insight gives this mid-tier bank the real-time data-driven insights it needs to streamline account opening, confidently collecting and verifying critical customer data. The accuracy of the data reduces the volume of discrepancies that need to be investigated on Day 2. Accelerated Insight Workbench makes any Day 2 investigations more manageable, enabling the bank to reduce its back-office headcount by 50%. Working with accurate CIP data and a comprehensive workflow solution for investigating discrepancies, the bank is better able to support compliance with KYC regulations.

But the bank isn't the only beneficiary of Accelerated Insight: its customers benefit, too. Their initial experience with the bank is now quick and efficient. Thanks to Accelerated Insight's ability to discover accurate address data, they are more likely to receive debit cards and other critical information by mail on time at their current addresses. Accurate CIP data results in fewer customers needing to correct CIP data by phone or mail after opening accounts.

Digitizing the bank's onboarding has benefited all the stake-holders, boosting the bank's revenue while improving financial inclusion in hundreds of communities across three U.S. states.

Learn More

To learn more about the benefits of Accelerated Insight for account opening, call +1 (650) 931-2350 ext. 1 or write to sales@dragnetsolutions.com.

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