The Top 5 Reasons You Need ROBOTIC PROCESS AUTOMATION for Customer Due Diligence

Banks must comply with stringent Know Your Customer (KYC), Anti-Money Laundering (AML) and Customer Due Diligence (CDD) requirements before opening a new account or approving a loan.

Many organizations still use manual, time-intensive tasks to:

- **Check identity information** against numerous watch lists and public record databases
- **Collect and integrate** the necessary data from external sources and internal systems

Here are 5 reasons why **manual tasks** are not a long-term answer for KYC compliance—and how you can quickly send **intelligent software robots** into action to improve your processes.

1 Increasing and Changing Requirements

Manual processes make it hard to keep up with ever-increasing and evolving regulations—especially as the amount of required identity documentation has increased.

79% of financial institutions have already changed their KYC processes or are considering doing so in the near future.[1]

Only **30%** of bank executives feel their operational processes can adapt quickly to external changes.[2]

2 Slow Onboarding and Revenue Realization

Manual authentication processes lead to slow and more expensive customer onboarding.

5.4 HOURS to screen a high-risk customer.[3]

Banks contact clients an average of four to eight times during the onboarding process.[3]

41 days to onboard a high net worth customer.[4]

The average time to onboard a new financial customer is expected to increase from 28 days to 32 days this year.[4]

3 Increased Annual Costs of Compliance

The average financial firm spends **$60M per year** on KYC, CDD and client onboarding.[5]

Global retail banks will increase IT spending for compliance by 20% over the next four years.[6]

Some firms spend more than **$500M annually.**[5]

4 Steep Fines for Non-Compliance

Manual processes increase the likelihood of errors or missing information.

70% of financial institutions are worried about the consequences of non-compliance:[7]

- Restrictions on business
- Financial penalties
- Brand damage
- Loss of customer and investor confidence

Banks have paid more than **$300B** in non-compliance fines since 2010:[8]

- Top 10 global bank: **$350M**
- Top 10 U.S. bank: **$52.5M**
- Minnesota-based bank: **$10M**
- Global British bank: **$1.9M**

5 Hiring More People Isn't Effective

50% of financial institutions have added employees to keep up with Customer Due Diligence compliance over the past year.[9] But, they still don't have enough people with the right skills.

70% of C-level survey respondents said they had to dedicate more time to KYC over the last 12 months, distracting them from more strategic, revenue-related activities.[10]

Banking on Intelligent Bots for KYC, CDD and AML Compliance

Robotic Process Automation (RPA) uses software robots and intelligent business rules to perform compliance tasks in various applications:

- **Automatically checks an individual's background** against thousands of sites, including monitoring sanctions lists from sources such as the U.S. Treasury and Immigration and Customs Enforcement
- **Helps you respond faster** to regulatory updates by automatically monitoring and extracting external data from regulatory sites
- **Connects multiple, disparate internal systems** for checks of an individual's background

It's as Easy as 1-2-3

1. **Mimics** how an employee interfaces directly with an internal or external website, portal, or application
2. **Automatically selects** all known information needed to authenticate and verify the individual's identity
3. **Robots deliver the results,** including individual checks on data provided, and validity of the identity document provided

The IT robotic automation market will reach **$4.98B by 2020.** It is forecasted to grow at a 60.5% CAGR from 2014 to 2020.[11]

Ease Your Compliance Burden with RPA

Consistently delivers 100% accurate data and 0% error rate

Software robots can be deployed in a matter of weeks, not months, with no coding required.

- **Eliminates** manual regulatory monitoring and data collection
- **Empowers** compliance and risk management teams
- **Helps you avoid** costly fines and reputational damage for non-compliance
- **Provides** audit trails with complete and accurate information
- **Reduces** manual costs by 70% with electronic identity verification[12]
- **Increases** staff productivity, service levels and capacity by 35% – 50%
- **Slashes** processing times by up to 90% (35% – 50% reduction for an average process)
- **Frees up** analysts to actually analyze information instead of just gather it

See Robots in action

One European bank used intelligent software robots to comb through internal and external systems and automate CDD and KYC checks overnight. When analysts arrive at work the next morning, the information is there waiting. CDD investigations went from 15 minutes to 30 seconds, and AML investigations from 20 minutes to 2.5 minutes.

THE ABC'S OF AUTOMATING CDD, KYC AND AML
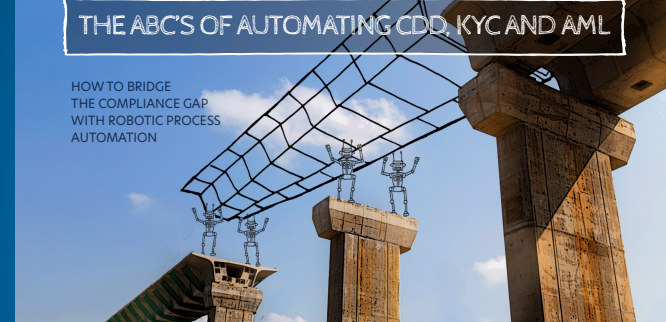
Bridge your compliance gaps with robotic process automation and get inspired by other banks' automation successes in "The ABC's of Automating CDD, KYC and AML."

Download your copy of The ABC's of Automating CDD, KYC and AML: How to Bridge the Compliance Gap with Robotic Process Automation.

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[1] Thomson Reuters, 2016 Know Your Customer Survey
[2] CapGemini Consulting, Backing up the Digital Front: Digitizing the Banking Back Office
[3] http://www.kofax.com/~/media/Files/Kofax/Infographics/Infographic-wealth-banking-en-uk.pdf
[4] Thomson Reuters 2017 Global KYC Surveys Attest to Even Greater Compliance Pain Point
[5] Thomson Reuters 2016 Know Your Customer Survey
[6] Ovum
[7] Capco
[8] Transparency Market Research
[9] Backing Back Office
[10] Kofax