

New banking customers seek quick onboarding and instant access—but they aren't getting it from banks

Article

The news: Big banks are losing customers to fintechs as early as the account-opening stage. Here's a look at where banks are falling short in their processes, and what they can do to recover before it's too late, [per](#) Forbes.

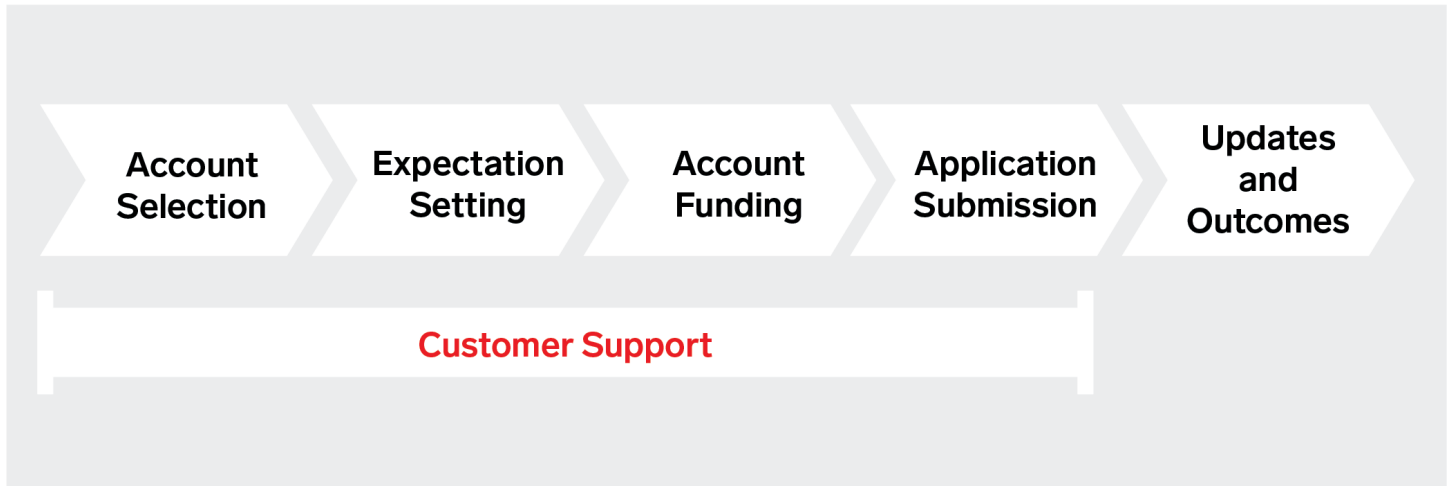
Off-task onboarding: Shiny, a PR and marketing firm that works with brands like Barclaycard and lending firm OneMain, conducted an experiment to test different US banks' digital account opening and onboarding experiences. Its results revealed that the process can be slow, painful, and sometimes even impossible to complete.

Attributes the group looked to assess included: **Was the account easy to open and maintain? Were there low or no minimum balance requirements? Were there no or avoidable fees? Was there a hard credit pull to open the account?** The group also noted if the account offered a competitive interest rate. Here are some hurdles they encountered:

- The US state in which new customers applied wasn't available in the dropdown menu on the application, and it didn't explain why. This happened during two different banks' application processes.
- Once new customers finally found a high-profile bank at which they could apply, the team spent over four minutes submitting the application and waiting for it to process. They then received an error message and a customer service number to call. That was the only option.
- After calling the number, it took 15 minutes for the team to learn the account had actually been approved. Once funding was set up—which took roughly five minutes over the phone—two days passed before the funds were visible in the account.
- The service rep said it would take seven to 10 days to receive the welcome package with all of their account information.

In today's digital world, consumers have learned to expect instant gratification. The experiment found that wasn't possible at a big bank. So consumers are instead turning to fintechs and digital banks, which make speed a priority.

The Account Opening Journey



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What can banks do? The team at Shiny offered tips for banks seeking to keep customers engaged in the account-opening process.

- **Provide context:** When a customer is stopped during the process, explain why. If the customer needs to provide more information, explicitly state what's required. Better yet, provide a list up front so the customer can gather all of the information before starting.
- **Stick with the original channel:** Don't move consumers from the channel in which they started. They started there for a reason. Making them move to a channel that doesn't work for them will drive them away, causing them to abandon the process altogether.
- **Instant access:** Once their application is approved, a consumer becomes a customer. They expect and should get immediate access to all of the functions, solutions, and services a customer receives—something that is easily done digitally.

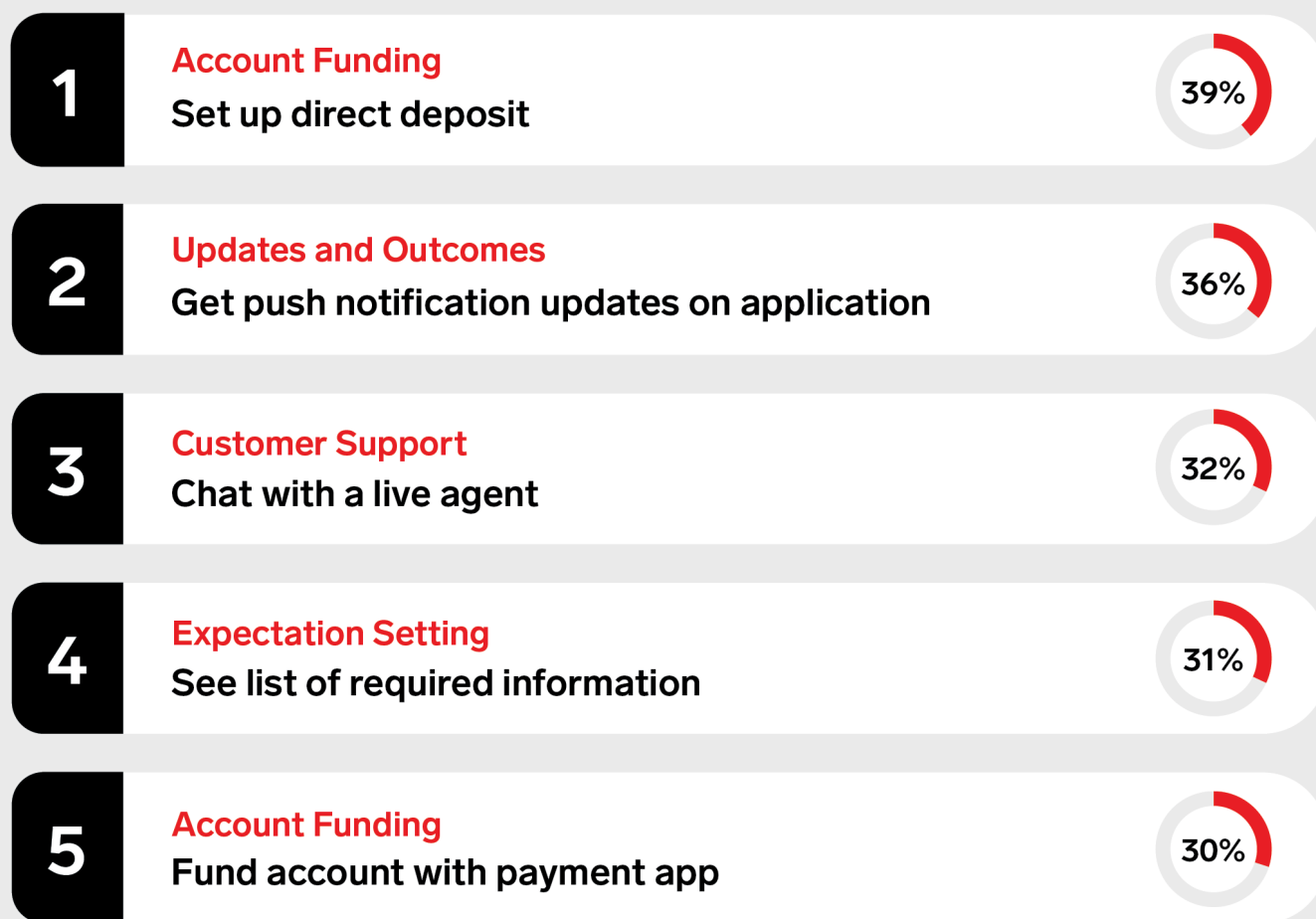
What consumers want in account opening: The team's reaction to its experiences aligns with what consumers polled in our [US Account Opening Benchmark](#) told us was important.

- Our survey shows that **consumers value easy and efficient account-funding options**, like a direct deposit (40% of respondents) or from a digital payment app (30%). That's different from needing to call a customer service number.

- Consumers also **valued the ability to chat with a live agent** (32% of those surveyed). They still desire human interaction, but they want it to occur in the channel in which they're currently operating.
- We've also identified additional steps banks can take to reduce abandonment during the account-opening process, like **communicating the steps toward approval after an application is submitted**, and providing **real-time updates**.

The Top 5 Most In-Demand US Mobile Account Opening Features, April 2022

% of checking account openers selecting "extremely valuable"



Note: respondents were asked to rate each feature's importance on a Likert scale of 1–5, where 1="not valuable" and 5="extremely valuable"

*Source: Insider Intelligence, "US Account Opening Benchmark 2022," June 2022
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Continue reading: Review our [US Account Opening Benchmark](#) report for other features consumers value during the digital account-opening process.

*This article originally appeared in Insider Intelligence's **Banking Innovation Briefing**—a daily recap of top stories reshaping the banking industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

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