

# Nationwide customers can fund new current accounts immediately with new sweep service

## Article

**The news:** UK-based **Nationwide Building Society's** new open banking service lets customers sweep money into a new current account from their previous current account provider, per a

press release.

**More on the service:** Open banking provider **Moneyhub's** payment initiation service handles this feature. When a customer opens their account, they can connect with their previous current account at another financial institution and immediately sweep the money into the new account at Nationwide.

- Under the old, pre-open-banking process, it would take several days for the account to be completely active and funded.
- New customers often forgot to transfer the money to their new accounts, which resulted in **8% of new accounts closing each month due to lack of funding**, according to Nationwide.
- The feature will initially be available for fixed-rate online bonds, but will expand to other savings products in the future.

Nationwide took a [minority stake](#) in Moneyhub in November 2018 and the two companies collaborated to develop the payment initiation service.

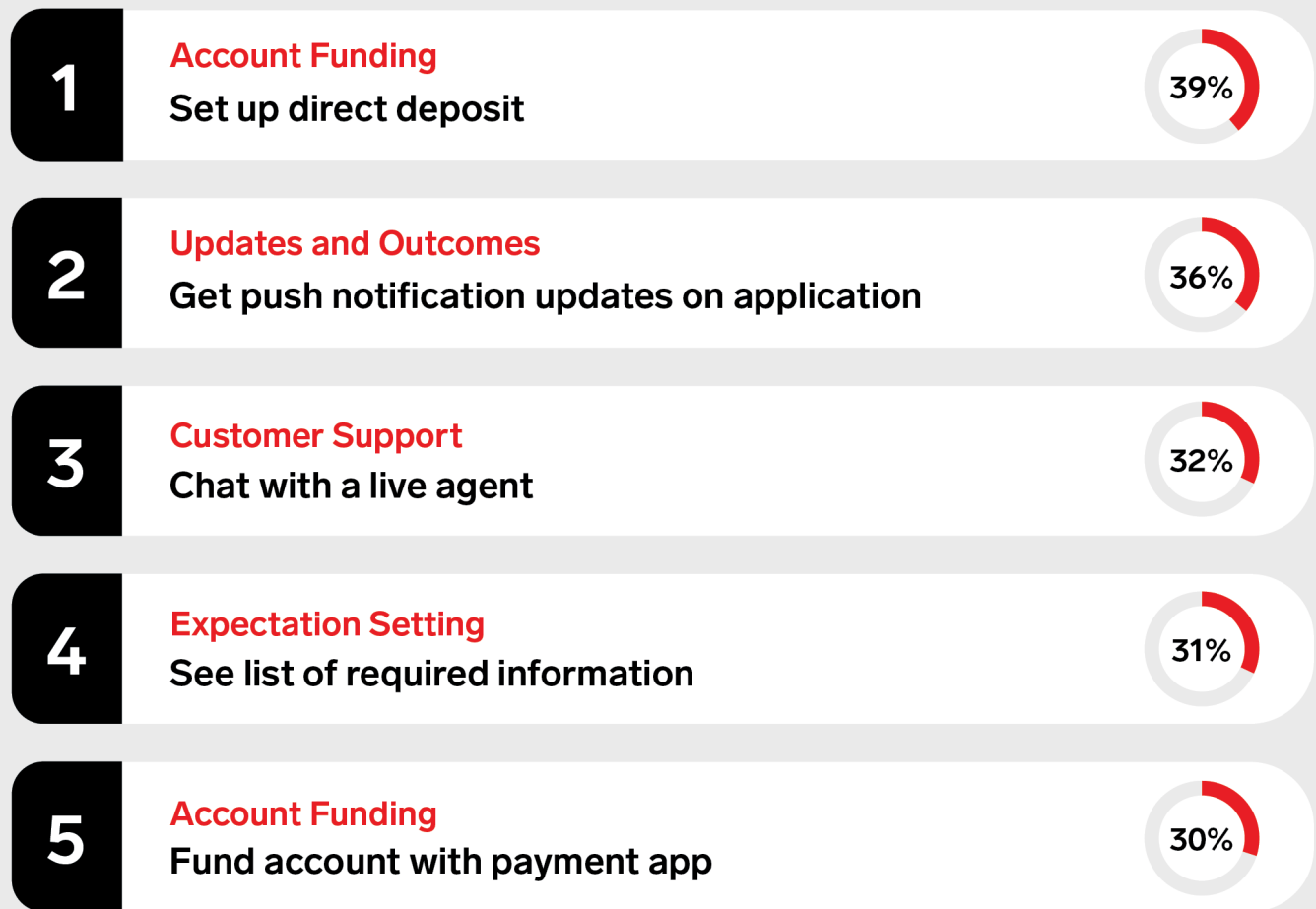
**New account funding:** Research for our [US Account Opening Benchmark](#) found that **funding a new account is top of mind for customers**. They're looking for **ease and efficiency** in this process.

- 40% of new account openers said the ability to fund the account via direct deposit is "extremely valuable."
- 30% said funding a new account with a payment app is "extremely valuable."

The lack of US open banking regulations makes the [account-switching process](#) difficult, but our research shows that customers crave a digital solution. The clunky existing process often leads to frustration and dissatisfaction.

# 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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**Account abandonment:** Account abandonment due to frustration is a widespread issue in the bank account opening process.

- **25% of US financial institutions reported that consumers abandoned digital account applications 50% of the time for deposit products in Q3 2020, according to Cornerstone Advisors.**

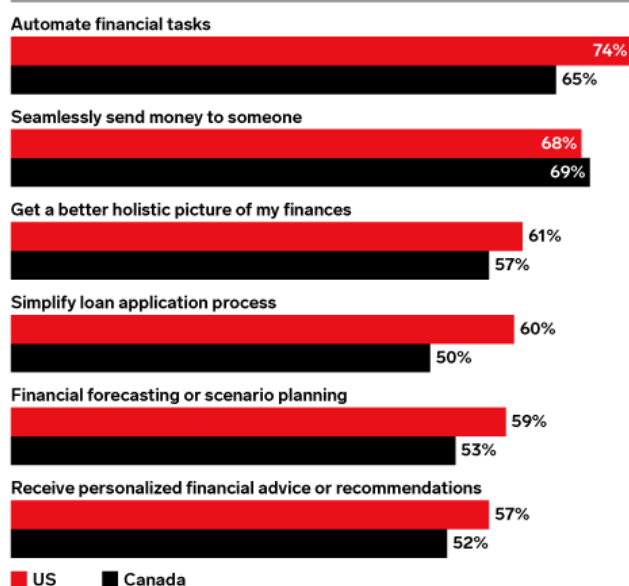
- Financial institutions with more than \$10 billion in assets reported a 75% abandonment rate in the same period.

**The big takeaway:** Nationwide's new feature offers a partial solution to the account abandonment issue that so many banks face, and it also satisfies customers' desire to quickly and digitally complete the account-opening process.

- While the feature isn't a direct deposit or payment app, it allows customers with existing bank accounts to move their funds without having to revisit the application process.
- It showcases the usefulness and convenience of open banking, which might spur greater adoption of the practice at US and [Canadian](#) banks that have been slow to join in.

#### Reasons for Using Open Banking According to Internet Users in North America, June 2021

% of respondents



Source: Mastercard, "The Rise of Open Banking," Dec 14, 2021

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