

CIBC streamlines its account-opening process with new digital ID feature

Article

The news: The Canada-based bank [introduced](#) a new digital option for prospective customers who are applying for one of its accounts and need to verify their identity. Eligible

products include a checking account, savings account, personal line of credit, or credit card.

More on this: Potential customers can access the digital identity verification feature via the CIBC mobile app or website. To complete the application, they must provide an image of a government-issued ID, as well as a selfie. Machine-learning algorithms in the feature verify the images.

The offering eliminates the need to visit a branch. The bank states that the entire process can be completed in minutes.

The bigger picture: CIBC is following the lead of **Scotiabank**, which provides prospective customers with a [similar](#) digital ID verification process. Both banks are capitalizing on the trend of more customers opening their accounts digitally in Canada.

According to a May 2021 eMarketer [forecast](#), digital account openings were expected to increase **23.7%** and **17.4%** in **2020** and **2021**, respectively, before tapering off to a more moderate pace through 2024.

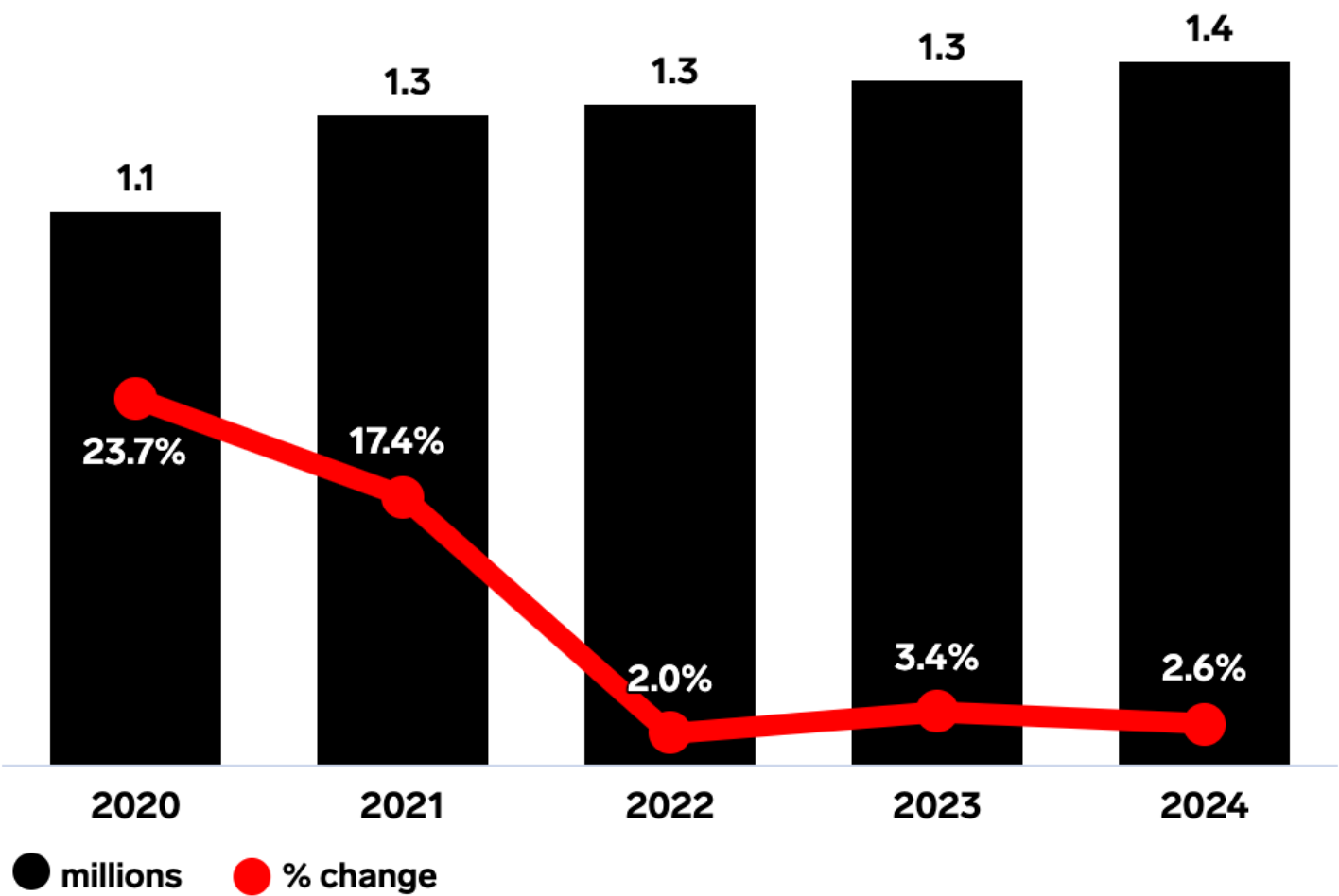
The big takeaway: If CIBC's peers adopt similar digital ID features, it could further entrench them in the Canadian market in the face of an influx of foreign and domestic digital challengers.

Digital banking penetration in Canada is [expected](#) to accelerate throughout 2021. But most digital-only account holders are concentrated within two incumbent-owned digital banks—creating a [formidable](#) environment for potential new entrants.

Innovations like CIBC's digital ID verification solution help alleviate the procedural impediments typically associated with legacy banks. Adoption of a similar offering by all of the other top seven Canadian banks could further widen this divide.

Total Digital Account Openings

Canada, 2020-2024



Source: eMarketer, May 2021

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