Adding cash flow prediction to RBC's AI-powered assistant could help narrow gap with mobile money management rivals

Article

The news: Royal Bank of Canada (RBC) has rolled out a new feature for its mobile AI-powered financial assistant, **NOMI**, that forecasts customers' cash flows for **seven days**.

- The feature, **NOMI Forecast**, provides cash flow insights by predicting scheduled pre-authorized account withdrawals.

- RBC said the tool gives customers "a more holistic view of their account activity" and cited payments for mortgages and subscription services as uses for it.

More on this: NOMI Forecast will complement several mobile features that can give users more personalized control over their finances and security:

- **NOMI Find & Save:** A special account and analysis tool that uses predictive technology to scan customers' transactions and find savings opportunities. Excess funds that the feature highlights are placed in the special account.

- **NOMI Budgets:** This tool creates a personalized suggested budget for users, keeps track of five types of spending, and uses a tracker to show customers how their finances are doing relative to their budgets.

- **Two-step verification:** When it announced its forecasting-tool, RBC also said it's giving app users a way to designate their mobile device as the primary way to access their accounts. If customers use other devices for access, RBC will give them an in-app authentication process instead of requiring them to fetch a security code from their emails or text messages.

The big takeaway: RBC's addition of cashflow forecasting fills a key gap in its mobile feature lineup and should perform respectably with customers.
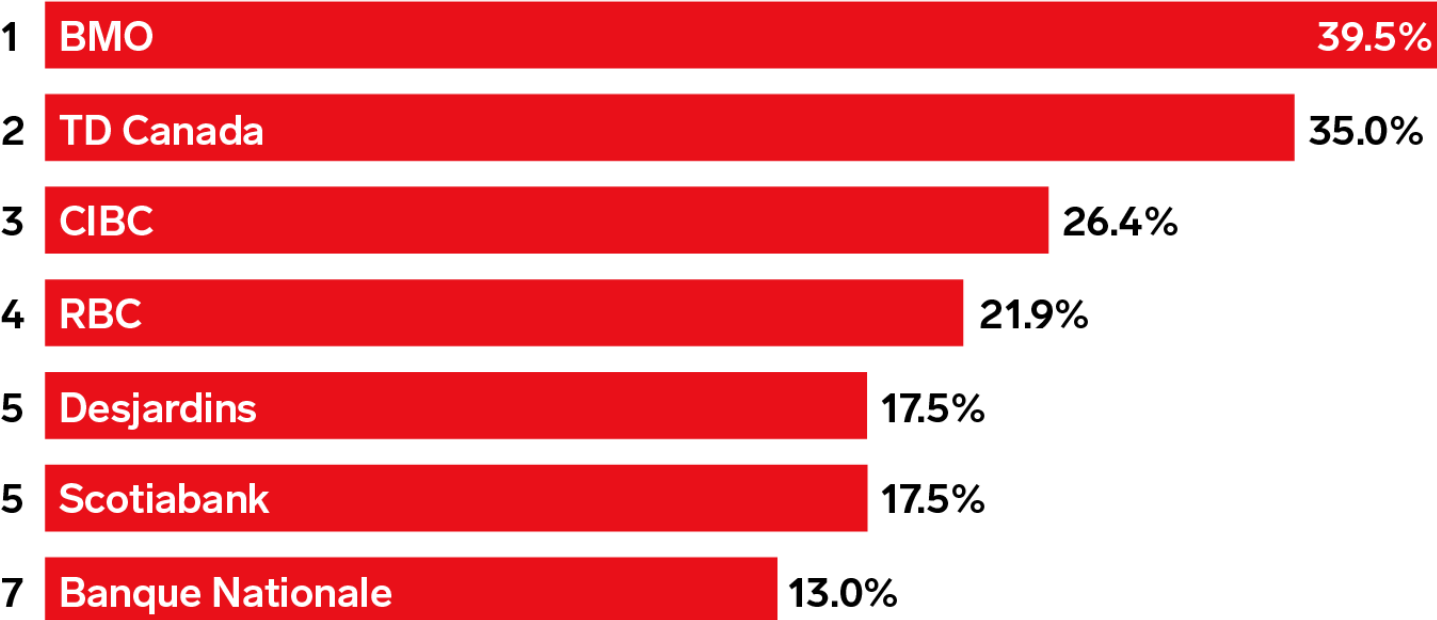
The ability for users to view a prediction of how spending and upcoming bills will affect their balance was the fourth-most in-demand money management feature in our 2021 Canada Mobile Banking Emerging Features Benchmark.

- In the report, **16.7%** of respondents deemed it "extremely valuable" and another **26.2%** felt it would be "very valuable."

- However, only two out of seven sampled Canadian banks offered a cash flow feature, suggesting that unmet need is sizable.

RBC could benefit from broadening its digital money management mobile lineup: It came in **fourth** for the category, even though it finished **first overall**. In contrast, **BMO** and **TD Bank**, which already had cash flow features, placed first and second for money management.

BMO's High-Value Tools Drive Win in Digital Money Management

% total points possible within the category

1	BMO	39.5%
2	TD Canada	35.0%
3	CIBC	26.4%
4	RBC	21.9%
5	Desjardins	17.5%
5	Scotiabank	17.5%
7	Banque Nationale	13.0%

Source: Insider Intelligence Canada Mobile Banking Emerging Features Benchmark Study, November-December 2020
Methodology: The data is based on an online survey of 1,187 Canadian consumers who have used mobile banking and a study of 7 financial institutions. Respondents to the survey were sourced from a third-party sample provider to closely resemble Canadian demographics on the criteria of gender, age, and income, and includes respondents from all 10 provinces. The survey was offered in both English and French.

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