

Online and Mobile Banking – Removing Friction from the Digital Experience

With Fintech constantly evolving, trends rapidly come and go with how the mobile banking industry reduces consumer friction. In the last year there has been more focus on giving the member the tools for risk mitigation as opposed to having the credit union control it entirely. Features such as automated fraud alerts, commerce notifications and controls that allow the user to easily turn their cards on or off are giving members the freedom to truly control their plastics versus having to reach out to the credit union representatives to manage this on their behalf.

In terms of advanced security and authentication techniques, there are many vendors who specialize in biometric solutions for authentication. It is safe to say the fingerprint verification used in Apple and Android devices today are the foundations that consumers would now expect a financial institution to use, maybe more so than if the financial institution offered a proprietary one themselves. The goal is to find the right balance of convenience, comfort and security. Millions of consumers are accustomed to using their fingerprints for unlocking their mobile devices, perhaps dozens or hundreds of times per day. It is not without its flaws but arguably still safer than a traditional username or password that could easily be hacked. While these login techniques may have been considered “nice-to-haves” a couple of years ago, they have now proven to be essential in the experience around securely accessing your data. There have been other advancements in face, eye and voice recognition, but at the end of the day credit unions have seen a lot of consumers hesitant to gravitate towards these advancements, as it sacrifices convenience for security. Nothing currently beats the tap of the finger in terms of overall utilization.

It is possible for credit unions to offer digital service levels similar to hospitality and high-tech firms like Apple and Amazon, but in some ways it is comparing apples (no pun intended) and oranges. We know entities like Amazon are specifically focused on commerce-based analytics and ease of payments. Their job is not only to show you what you want, but display products that you may not have even known you wanted. With credit unions, we see some confusion in the market as to whether the focus should be on reducing opex and focusing on self-service solutions, or increasing revenue by focusing on commerce-driven interactions. At the end of the day, the consumer is not logging into their mobile banking solutions to find the latest deal or to learn about refinancing options. They are managing their finances, which is often times a high-anxiety exercise. Credit union digital services resonate when they are empathetic around this and when they personalize the experience. The reality is credit unions cannot compete with Apple or Amazon in the areas that they are experts in, and a CU's stance is to enable members' cards or plastics in these best-of-breed solutions when possible. Being top of digital wallet does not mean creating an all-encompassing digital solution packed with hundreds of features, but rather enabling members to manage their accounts with confidence while participating in other digital solutions outside of what a single financial institution can provide.

Credit unions have recently seen a strong focus on risk mitigation tools such as Alerts and Controls for locking cards and being notified on activity, which are also great ways for members to stay top-of-mind with their credit union. When I receive a notification that states an International Transaction has been made, or a Card Not Present transaction has been declined due to a control I have set up, I feel a closer connection to my accounts and am reminded that they are mine to manage and control. Credit unions have also seen increased interest in better utilizing geolocation services. It is a bit of an old school method having to pick up the phone and call your credit union to notify them when you will be traveling or making overseas purchases. Today, CUs have the information needed in the mobile device itself. For example, if our fraud management systems see that a user is currently in the Paris area and it corresponds to a transaction made in the area, then we have everything we need to automate travel notes in the background for the member and reduce false positives that otherwise create frustrating experiences for the member. Demand for advanced risk mitigation tools and geolocation services continue to rise, and credit unions are focused on providing these solutions to remain competitive in a forever growing and evolving industry.



Eric Goscicki
Manager of Emerging Payment Solutions

Eric Goscicki is a UI/UX designer-turned-product manager with a specialty aimed within the credit union industry with a strong focus on the enablement and evolution of emerging digital payment solutions. Having spent close to 8 years at PSCU, one of First Data's largest payments partners, Eric and his team and have helped to drive the mobilization of PSCU's core products and services within the organization. Established in 1977, PSCU (St. Petersburg, Fla.) is the nation's leading credit union service organization (CUSO). The company was recognized as CUSO of the Year in 2016 by the National Association of Credit Union Service Organizations. PSCU's products, financial services solutions and service model collectively support over 850 Owner credit unions representing more than 20 million credit, debit, prepaid, online bill payment and mobile accounts; protect over 2 billion transactions annually from fraud; and optimize credit union performance and growth.



Contact Info:

www.pscu.com ~ (800) 443-7728