Since we launched the UK’s first comprehensive internet banking service in 1997, online banking solutions have grown exponentially. Now self-service and mobile channels are giving customers further choice in how they manage their business finances. Digital technologies are undoubtedly powerful, but they are also fragmented, mainly due to the speed at which new technologies have been developing. This means that many businesses are not fully exploiting the benefits that digital technologies can bring to their business.

- Digital technologies are revolutionising every area of our lives, and will transform banking services.
- Digital banking will give companies new tools to better manage and understand their finances, especially once today’s fragmented systems are better integrated.
- Banks will invest in ‘big data’ – both as a tool to know their customers better, and as an information service they can offer customers.
- As businesses increasingly self-serve, bank’s Relationship Managers will have less to do with routine transactions, and more to offer as a sounding board and trusted adviser.
- The new digital landscape creates new vulnerabilities to cybercrime, but also offers new technology to manage these risks.
What are the key trends in digital banking? And what are the implications for my business?

Over the past 50 years, technology has transformed banking from being a branch-based, 9am-5pm business, into today’s automated, omni-channel, 24-7 experience. A number of trends are driving this change, chief among them:

**Consumerisation:** The mass adoption of technology by consumers and businesses means that customers now expect a higher quality, omni-channel experience, where everything joins up. Customers are also looking beyond simple product functionality, to information services and products that will help them manage their finances more efficiently.

**‘Big data’ and analytics:** Banks hold vast quantities of data. They have the opportunity to harness this data to gain better insights into customer needs and turn them into individually-tailored services. Banks may also offer data insights as a service to customers to help them improve their businesses, but maintaining privacy and trust in this area will be vital.

**Trust, integrity and security:** As omni-channel banking becomes the norm, the range of cyber crimes is growing, making it harder to guarantee security and confidentiality. The industry is investing heavily in preventing and detecting new forms of cyber crime and in developing new authentication methods, such as biometric authentication.

**Growing role for banks:** The position of banks as a trusted partner will take on increasing importance in a digital society. Banks’ knowledge of their customers and trusted status might allow them to, for example, enable trading between customers at a discounted rate.

So how much of my banking can I do digitally today?

The short answer is, a lot of it, although at the moment businesses are only using a fraction of the services available.

Today, online banking gives businesses real-time control over a wide range of familiar services, including:

- Real-time access to balances, statements and transactions.
- The ability to monitor and manage payments and payments data, including cards, cheques, and bulk transactions.
- E-invoicing – allowing secure, real-time invoicing.
- Security checks – services that check ID and security credentials for you.
- International and trade services.

However, as many online services have been developed separately in response to emerging customer needs, the digital experience can seem fragmented. Many businesses find themselves having to manage separate log-ins, on-boarding processes and support infrastructures if they are to use all the online tools available to them. This will change rapidly: banks are working hard to integrate their systems across platforms, and give customers a single point of access for their services. This could reduce complexity and give businesses full oversight of their finances.
Will these digital services actually make it easier for me to manage my finances?

Online banking services give customers a high degree of oversight and control of their finances, and the ability to manage them more efficiently. Key benefits include:

- **Lower costs**
- **Higher efficiency**
- **Reduced error rates**
- **Better management information**
- **Improved use of international and trade services**

Meanwhile, the services that personal customers enjoy through newer channels such as smartphones and tablets are also starting to cross over into the corporate space. Mobile devices will offer a different range of services suited to businesses on-the-move. For example, text alerts may warn a customer that a cut-off time is approaching for a payment that is awaiting authorisation.

Will I still be able to talk to a real person?

In a word, yes. But as businesses acclimatise to the functionality online banking offers, they are likely to need less help from a Relationship Manager (RM) for routine business transactions. In fact, 68% already say they prefer to handle these transactions online.

That said, customers will rely increasingly heavily on RMs for non-transactional aspects of their business – for research and information, for advice, and to answer queries. So the focus of RMs will shift from service and query management to helping businesses achieve their commercial ambitions.


I trust my bank with critical financial information; how can I be sure that it remains secure across all these new channels?

Banking has always been, at its heart, a business based on trust. Banks go to great lengths to maintain confidence with clients, regulators and the wider public. But trust is a fragile commodity, easily eroded when, for example, a customer suffers a loss of data, experiences poor service, or perceives their bank to be acting unethically.

New vulnerabilities include cybercrime (such as Trojans and phishing), mobile fraud (as people increasingly store security credentials on mobile devices), and the possibility of data leakage/acquisition. Cyber criminals perceive consumers as the weak link in the chain. Banks therefore invest heavily in technology to thwart criminals and to protect and educate customers. We also offer free security software, which adds an additional security layer between the computer and online banking.

Conversely, digital technologies help manage other risks. Increased automation reduces manual errors, and the time and effort required to put them right – interestingly, three quarters of all customer complaints relate to paper channels.

Sophisticated tools have been developed to make fraud harder to commit. By monitoring behaviour patterns, banks can spot potentially fraudulent or criminal activity both in and outside an organisation. Meanwhile new authentication techniques, such as those using biometric data, will be harder to circumvent.


How can I ensure my business benefits from the increased capabilities of digital channels?

Businesses need to understand the full capabilities that digital services offer if they are to get the most out of them. Lots of existing functionality is simply not being used.

To ensure they are getting the best out of current technologies, companies should consider:

- Using automated services to reduce costs and improve efficiency.
- Switching to e-invoicing, for more efficient invoicing and rapid payments.
- Harnessing management information to understand their business dynamics better.
- Identifying which devices – online, mobile, tablet – provide the services that are best suited to their business.
- Asking their RM what their bank can do to help them understand the online solutions that will most benefit their company.
RBS perspective

It’s hard to overstate the impact of online and other digital channels on the banking landscape. Less than a decade ago, mobile banking referred to a mobile branch that travelled to remote villages weekly offering basic banking services. Now it’s ‘anytime, anywhere’ banking services available from phones, tablets and the internet.

The very rapid growth in online banking has given business customers more control over and information about their finances than ever before. But we know that they are not yet using all the technologies to their best advantage. In part, this is because it’s a very fragmented landscape, with various online services requiring unique log-ins. That will all change in the near future, as banks focus on making it simple and easy for their customers to do business with them.

We are on the cusp of a genuine digital transformation in banking services. Innovation is being driven around what customers want. We are investing heavily to create a single point of entry to all online services. We are also building our systems with an eye to the future – ensuring they have the flexibility to allow them to be adapted to new and emerging technologies.

The future holds yet more change. ‘Big data’ insights will both allow us to tailor services to different customer needs, and to offer customers vital information about their own businesses. Banks are shifting their focus from providing product functionality to information services, and this has the capacity to revolutionise our customers’ financial management.

Where do I go for more information?

Information on our internet-based corporate banking services:
RBS Banking Online

Free security software for protecting your business online:
www.rbs.co.uk/onlinesecurity

Free news, opinions and information on developments in digital financial services:
www.thedigitalbankingclub.com

Information on how to protect your business from online attacks and data loss:
www.staysafeonline.org/business-safe-online

For more information, speak to your Relationship Manager or call the RBS Hotline on 0800 210 0235
Text Relay 18001 0800 210 0235
Lines are open 9am-5pm Monday to Friday (excluding public holidays).
Calls may be recorded.