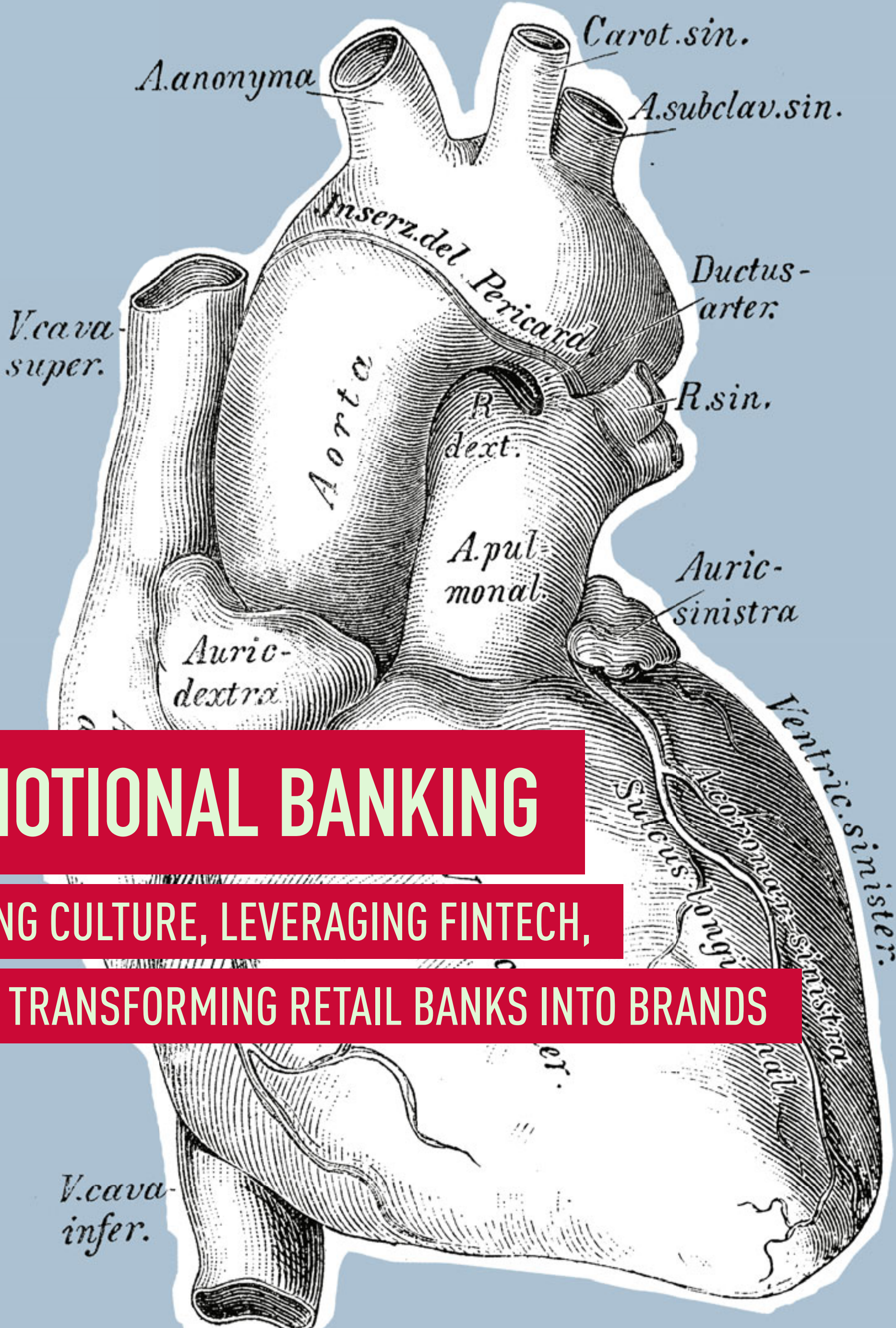

EMOTIONAL BANKING

FIXING CULTURE, LEVERAGING FINTECH, AND TRANSFORMING RETAIL BANKS INTO BRANDS

DUENA BLOMSTROM

Emotional Banking

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Preface

There is quite a bit of folklore around the idea that people "have a book" inside of them aching to come out. An idea that needs to be seen by as many eyes as possible. A story that they feel compelled to tell.

This book is that.

Based on my own personal view of an industry I've seen develop from the inside, as well as the experiences of others that have been in the same eye of the storm, this is about the drivers behind creating the Emotional Banking™ cultural transformation method designed to help banks end up in a position where they can use new technology and design principles to become beloved brands and win in the battle for the consumer's heart.

The first part of this book aims to examine the context of the problem—what retail banks look like today in terms of their digital proposition in the era of FinTech. It shows the overall context and then delves into the good, the bad, and the ugly with examples of those who are winning through innovation and design and are approaching the nirvana of Invisible and Beloved Banking, as well as those who insist on offering "banking products" in lieu of Money Moments and how that offer is perceived by the consumer through the perspective of real-life anecdotes.

The second part looks at what is the essence of Emotional Banking—the fundamental question behind it—"Do banks care about the consumers' feelings about their money?" and the reasons behind the answer being "no." It analyzes Good and Bad Money Moments and proposes that designing around those concepts requires banks to stop profiting from the irrational loyalty capital they have from the consumers and start thinking in the same fashion real consumer brands do—truly putting the consumer at the heart of the proposition design.

Finally, the second part of this book proposes that bank's ability to become a brand has nothing to do with technology or ability but a lack of burning desire to achieve this and hence, it comes down to its people. That true innovation and achieving Human Centered Design (HCD) to surprise and delight is only impeded by the banks' complicated and rather unhealthy banking culture and postulates that this needs to change. Change fast and change profoundly.

In the last part, I laid out four chapters of the Emotional Banking method—the Build a Voice Program; the "Everyone's a Designer" workshops; the "Intrapreneur Warrior's Guide"; and the "Keep it Real" Program as the key pillars to stimulate the sine qua non conditions of change in the bank's most important asset—its people: achieving knowledge, passion, and courage.

Having spent the last few years researching this method and trying various levers with the banks I've worked to design cultural transformation with, I was intensely conscious that consumer banking is running out of time to make this big of change to allow banks to become beloved brands and win the consumer's hearts so I've sought to design the most efficient and swift change levers to stimulate the organization to accept, encourage, and reward new values around curiosity, learning, excitement, honesty, and heart in lieu of the existing KPIs.

This book is not a dry, scholastic exploration of the organizational psychology behind why banking culture is as complicated and paralyzing as it is, but, on the contrary, aims to bring clear understanding of the problem without dwelling on its causes and instead focus on quick wins in terms of solutions.

This is written in the hopes that, when it comes time for my amazing 7-year-old Dara to read it, most of this will be ancient history and his experience of banking will be utterly different and deeply emotionally connected.

London, UK Duena Blomstrom

Contents

List of Figures

PART I

Banks Today

CHAPTER 1

The Relationship Between Financial Services and Technology

Contents

What Is FinTech

When I discussed this chapter with my editors and advisors, including it in the book didn't make evident sense at first. This book is not meant for the broadest of audiences, it's unlikely anyone who works outside of tech and outside of finance will pick it up in an airport and become enthralled by its plot.

At the same time, one could argue that those of us on the inside don't need spelling out of concepts and this doesn't aim to be a scholastic exercise exhaustively describing the totality of banking and the technology that serves it.

D. Blomstrom, *Emotional Banking*,
https://doi.org/10.1007/978-3-319-75653-0_1

With all that said, one thing that I have firmly learned over the past few years of my career in this industry is that language is crucially important and that we have—collectively—managed to allow confusion, approximation, acronyms, and a bizarre need for grandeur to complicate it and render it unusable for efficient communication.

To avoid that disallowing us from understanding some of the concepts I have laid out in this book, there are a few key terms I would like to make sure are clarified along the way.

Bear in mind, these definitions are not textbook but rather personal, no less because there are no manuals to describe them.

First of all, throughout this book, when I say "Banking," I'm referring to "Retail Banking." Seeing how the Emotional Banking methods ultimately focus on the relationship with the consumer—albeit through the winding road of cultural transformation translating into better propositions eventually—there will be nothing in this book about other areas of banking such as Investment banking or Corporate and we will confine the discourse to what can be referred to as "every-day banking" including "current accounts, cards and payments," "savings," "investments," "mortgages," and "small business banking/SME banking."

Also, for the most part, while we will mention key pieces of technology that may aid the relationship, we will remain focused on the state and the betterment of the "front-end" of banking and the levers of change for it and we won't be discussing in depth anything to do with the "back-end" understood as the collection of software systems and infrastructure that make banking IT work.

The "front-end" consists of all the apps, widgets, or programs that make up the experience that is delivered to the customer by the various "channels" the bank employs from ATM to telephone, to branch and of course, chiefly, through the new "digital channels"—"online and mobile."

The overwhelming majority of all FinTech propositions are focused on the front-end.

While we can define FinTech as any type of technology that makes the financial sector run and then we can claim it goes back to the first times that any type of computer—or even telephone—was involved in banking, that would be extending the origins of the term beyond its recent years' scope.

Some even stress the point by claiming the first FinTech company would have been Reuters News in the mid-nineteenth century as they employed the available transport technology of the time (carrier pigeons) to transmit financial news between Paris and Berlin.[1]

In reality, the terminology surfaced no longer than 10–12 years ago, and it became an umbrella term including "online banking," "mobile banking," and

[1] Nigel Rodis, "The Pigeon Fanciers", *www.WiderImage.Reuters.com*, August 29, 2013, https://widerimage.reuters.com/story/the-pigeon-fanciers.

then "digital banking" referring initially exclusively to the sleuth of technological offerings that independent providers, mainly start-ups, were proposing either to banks or to the consumer.

To some, FinTech as a term must absolutely remain confined to referring to the start-ups providing technology to the financial services world as I observed in this blog post.

Everyone Is FinTech, Get Over It[2]

Posted on March 3, 2017, by Duena Blomstrom

Ok, I will admit: I'm highly OCD about terms AND I have a very low tolerance for what can only be called BS, which leaves me with having to get something off my chest about the term "FinTech/s".

I wrote about this before and that was ages ago in FinTech years -2015!- and at the time I was mildly annoyed not highly irritated as I am now.

Let me be blunt: our industry is brimming with neophytes -and let's just say that is not the first term that came to mind-. One can tell we're in the middle of peak FinTech by how London cabbies nonchalantly go "ah ok, that's big these days" when you tell them you're "in FinTech".

This wave of neophytes comes with a sleuth of opinions which is intrinsically good and necessary in a "new blood" sort of way, but some are majorly dogmatic and shockingly loud when it comes to who can call themselves "FinTech", and even more infuriating, who definitely can not.

Now here's my take as not the FinTech-est around but surely someone who is FinTech-er than the neophytes (see what I did there? made it an adjective, neer neer!):

FinTech is a very broad term that refers to all Financial Technology and you cannot go on and on about how it can only ever describe small, nimble, innovative StartUps, get over it.

To be fair, this is a selfless PSA for the industry and it will work against my newly found guilty pleasure that allowed me, over the past few months, to be at various industry events whether a conference, a posh dinner or an awards gala and revel in the indignation of various parties when I calmly rejected their arguments to support the above.

Most conversations would go like this:
"But you must agree Duena, not every company in the industry is FinTech, only the start-ups are, they need to stop using this term!"

[2] Duena Blomstrom, "Everyone Is FinTech, Get Over It", *www.duenablomstrom.com*, March 3, 2017, https://duenablomstrom.com/?s=everyone+is+fintech.

"Nope, not the apanage of start-ups. All Financial Technology"
"Oh come on, not like the big, big ones!"
"Yup, as long as they thought about and/or built, and/or implemented Financial Technology. It's not about size."
"No, I mean like FIS, or Temenos or such"
"Yup, FinTech companies"
"That's ridiculous!"
"It's not, in fact it's not only FinTech but good stuff too these days, check out what most of these big guys have in their portfolio or what they show at Finovate, etc.*"*
"Ok well nevermind, maybe they are catching up, maybe they are becoming FinTech now"
"Nope, been in FinTech all along. Long before most of anyone else"
"Fine, those are tech product companies what about the consultancies calling themselves FinTech?"
"Yup, them too"
"What?!?"
"I don't like it any more than you do, they had a late start in "getting it" and I am not claiming they are necessarily selling valuable FinTech advice but it's FinTech nonetheless"
"OK this is absurd, next you'll claim banks are FinTech"
"The OGs of FinTech. Who do you think built the first back-end and front-end of any digital proposition?"
"What? I thought you hated banks!"
"You thought wrong. I love banks so much that I want them to do well. Which is why I cut the BS when I point out where they are currently failing."
*"What are *we* then?!?"*

"FinTech providers."

And on and on ad nausea. Now that I'll publish this, I am likely going to get less entertainment and (even) more sideways looks, but it's worth it to try and stop the "FinTech is start-ups only" dogma one side of the industry has.

Which brings me to another point. The "sides". The "us" versus "them" mentality between providers and banks must be unique to Financial Services.

Name me another industry where the innovation in technology that the customers expect, has happened mainly externally from the incumbents due to their sluggish response, and has created an ecosystem of start-ups and high-growth technology creators selling their solutions to the service provider by pointing out how horrible the latter is. We have such a divisive discourse in the industry that the "ecosystem" conversations sound more like the trendy word of the day than a meaningful shared impetus.

Whether you are a veteran or someone who Googled what FinTech was then started having an opinion this month, you can't deny that -for now- we are in a unique market moment with a fascinating dynamic in our industry to say the least and it would serve us all to want to build bridges rather than point fingers.

Cornerstone of my Emotional Banking TM methodology is the "Keep it real" part. It's a self-explanatory concept and while banks have an arduous road ahead keeping it real in terms, in more ways than one, providers in turn, owe it to the industry to not develop meaningless jargon and fixed ideas of their own and turn into the very kind of beast they claim to be battling.

Lastly, to me, "being FinTech" is not about a label but about a burning need to keep building and bettering money services for the consumer and anyone with enough brains and passion is welcomed.

When Did Banking Go Digital

FinTech is by no means confined to the digital channels only, and it is there that most propositions focus so when did banking start needing FinTech?

While digital banking effectively started in the 1980s (New York City Bank followed by Bank of Scotland are often cited as the first to test a concept of "bank at home"), one has to fast-forward to the early 2000s to find any meaningful manifestations of digital even if at this time most banks would still have but a static Web site with little functionality as their online banking offering, and it won't be till much later, and post-2012, that mobile banking apps' offerings would become commonplace.

To understand some of the drivers behind the creation of an industry that is now worth hundreds of billions of investment, consider that, for the vast majority, online and mobile bank propositions in the mid-2000s were built by banks' IT departments themselves at an organizationally dictated pace, while technology was fast exploding around them and becoming more embedded in the lives of consumers everywhere raising their expectations and exposing a gap between those and what they are receiving from their financial services provider.

This gap inspired a few of the initial FinTech founders to create new, exciting propositions that showcased the state of the art in technology and attempt to market them for the most part, at least initially, directly to the consumer as "B2C" plays designed to give the ordinary consumer a better Money Moment.

To understand how much of visionaries these initial founders were, we must remember that as late as 2008/2009, the landscape was rather bare in our industry—most banks were having an online Web site which was a static, PR-driven, glorified product catalogue and no mobile app, while the market for mobile apps was just taking flight. The discourse was limited to a handful of—undoubtedly brilliant—commentators and authors, the big analyst firms were producing very general customer service-focused reports and mostly studied the branch interaction, and on the other side, the consumer had very little in the way of digital experience expectations.

For a period of a few years, the majority of the industry became obsessed with the "either/or Digital vs branch" debate and some echoes of that obsession can still be heard today. Aided by the near-cult popularity of books such as Brett King's "Bank 2.0 – How customer behaviour and technology will change the future of financial services" and, a few years later, Chris Skinner's "Digital Bank," the conversation centered almost exclusively around whether or not branches will survive in this new digital world order and it wasn't until late 2015 that we seem to have collectively accepted that a symbiosis between the physical and the digital environment will likely always be the case.

Another quasi-religious argument in our industry over the past few years has been about whether FinTech or Banks will win.

Keeping in mind that most initial FinTech offerings such as Wesabe, Mint, or Bank Simple were, as we mentioned above, initially marketed as direct to the consumer all of a sudden democratizing financial services as potentially being offered by challenging technology firms, this has sparked the imagination of many and led them to paint that as a threat to the industry in itself.

In fact, if you use Wikipedia to look up "FinTech," this argument is captured in the first sentence of the attempted definition[3]:

> *"Financial technology (FinTech or fintech) is the new technology and innovation that aims to compete with traditional financial methods in the delivery of financial services.[1] The use of smartphones for mobile banking and investing services[2] are examples of technologies aiming to make financial services more accessible to the general public."*

Unsurprisingly, not many banks accepted the argument that small FinTech start-ups could usurp them and cause their Kodak moment and it hasn't really been till a few years ago, when other type of changes became clear and imminent, that banks started reacting and stepping up their efforts to do more than pay lip service to the concept of customer centricity they had been declaring as central to their strategy for years.

These changes that finally seem to amount to enough threat to motivate meaningful action on the part of the bank chiefly have to do with the growth of various tech and Internet giants that were not even around a few years ago and mandated changes in regulation driven by consumer expectations regarding their data and access to their financial services (such as the PSD2 legislation in Europe).

Over the last couple of years, with the exception of a few markets where legislation changes encouraged the creation of new banks such as the UK, many—if not most—of the FinTech start-ups that initially declared themselves as challengers have switched to a B2B model and have either sold their companies to banks (such as Bank Simple and BBVA) or have partnered with them (such as Moven and TD Bank) to supply them with technology and winning front-end propositions and the discourse has changed from seeing FinTech as competitive to seeing it as enabling.

[3] Wikipedia, "Financial Technology", *www.Wikipedia.com*, December 18, 2017, https://en.wikipedia.org/wiki/Financial_technology.

Few industries can boast as quick of a developmental explosion as FinTech can. Maybe the best indicator for it is that Finovate—a conference showcasing innovative new products in short, 7-minute demos—hasn't come into existence till 2007 when the market finally amassed sufficient new propositions, but by 2014–2016 there were 4–5 of the Finovate shows a year with more and more demo-ing companies and ever-growing audience alongside tens if not hundreds of other FinTech conferences and events. By this time, Europe alone had 1.5 billion GBP invested in FinTech and a sleuth of governments getting in on the act and proclaiming their interest and support, and by 2017, that same number was true for the UK alone.

The FinTech Gold Rush and BEs [4]

Posted on June 1, 2015, by Duena Blomstrom

If we take a step back and look at what has been happening over the past 2-3 years we have reasons to rejoice. We were but claiming -if vehemently- that banking as we know it will vanish like the records industry at Bar Camp Banks organised by the Dave Birch's of the world and visited by the Chris Skinner's and Brett King's on their way to real meetings with real banks where they must have tried to sweeten the pill but warn of the same thing. We looked tin-foiled and in need of medication to claim that, at a time when the only lipsticks being bought (to be used on the proverbial pig) were a pale shade of pink and allowed customers of a bank the extreme luxury of a (grossly estimated) expenses pie-chart at most. Look at us now with our fancy game changing Alternative Lending, Alternative Payments and Transfers and Alternative Currencies and yes, (alternative) Banking Experiences.

To me BE (we'll never look anything like serious bankers and expensive consultants if we don't acronym wherever possible) includes everything that was not a bank 10 years ago and yet reaches consumers.

The awesome but few and far between Real Banks that Could (TM) such as mBank; the Neobanks such as Simple and Moven, the NearBanks such as the insurers and comparison sites entering the "will show you where your money is and help you move it with so much more ease you'll think I am a bank" game and the Challenger Banks such as the 20-something about the hit the UK with a storm of mind-blowing, life altering new banking experiences.

In the past year we've talked about nothing but the FinTech gold rush.

How much was spent, how much more there is laying around in itchy pockets, how many Incubators can we build to hatch the next best thing and so on. We all instinctively feel it is a bubble but not a classical one, one of distributed eggs

[4] Duena Blomstrom, "The FinTech Gold Rush and BEs", *www.duenablomstrom.com*, June 1, 2015, https://duenablomstrom.com/?s=gold+rush.

in far too many uncommitted baskets. No one believes in anything with all their might and that's clear in the numbers. While BE-ers would be expected to score small like this heralded European Challenger – Monese, (with a record breaking score in this category being that of the Simple cash-out at 117 M $) even some of the rails gather petty pennies with the new-kid-on-the-block Ripple bringing home a meager 28 M $ on the last round. Of course the counter examples are the famous (if disputable in sustainability) Lending Club and Square successes and the recent two 1-BN-ers TransferWise and Funding Circle but even their success is minimal when put in perspective.

I certainly don't proclaim to understand investment cycles, valuation games or the markets but common sense and basic Maths make the contrast between these scores (and others I've left out as they are embarrassing to us all) in our industry and those of Whatsapps, and Slacks elsewhere in digital technology (I'm not even going to refer to the real disruptors' scores such as Uber or AirBnB).

There's a phrase in this article about the darling of the Tech world -Slack- that's actually hopeful to banks but also explains the disparity: "Over the past couple months, their competitors have caught on. They've all started using casual copy and trying to bone up on design, but it's a little like your uncle trying to do the macarena. It's too little too late. Everyone has picked their robot sidekick. Slack has stolen the show."

This is evidently not about banking but collaboration but if it had been it would be both hopeful and telling. If you replace "robot sidekick" with "hip and trendy bank or neobank" and "Slack" with "mBank" or "Moven" it doesn't hold true because extraordinary as they may be they are far from ubiquitous. Every bank has an opportunity to at the very least write better copy and do better on design -while waiting to wake up to new contextual business models- as we're all more-or-less prisoners of our respective local banking relationships.

Communication, collaboration and many other aspects of our digital lives have a far more borderless, deeply human aspect than we can hope our relationship with money and banking to exhibit during our lifetime (at this rate).

Not even the most daring of BE-ers ever claimed they can become the bank of choice for anyone in any economy in any corner of the world. This would be bizarre to anyone outside our industry (can you imagine Dropbox or Snapchat saying they only want to inflict their digital magic on Americans?) – if the relationship these Banking Experience providers are building is strictly digital why is it that they think in terms of geography? The answer to us in the industry, is local regulation or at least, the perceived hurdles of it. If banking is hurting indeed and these new propositions are the agreed universal answer, why is it that no big wig investor (since there are 4x more of them than there were a few years ago) sat enough lawyers and technologists down to infra-structurally solve for each local hurdle and allow the overall umbrella of exceptional experience to overarch geographies when it comes to the front-end experience?

To my mind, while alternative propositions of back-end parts of the experience are intrinsically embodying the overarching and their success is simply a matter of achievable scale and time to market for the winners (alternative lending, alternative payments and transfers and alternative currencies are all bigger propositions than all the neo-banks put together at the end of the FinTech day) on the front-end to-consumer experience there is no consensus on what a winner looks like and no big wig is willing to bet a farm big enough to achieve that.

If you don't believe me just look at what percentage of the overall 12 (or 14 depending on who you ask) Bn $ investment in FinTech in the last year went to BEers as compared to the investment in alternative rails.

Thinking about what money went into FinTech on the experience side and why there are no real unicorns yet is a demoralising exercise. This emperor of ours is rather naked.

It's one thing to complain about banks being slow, or marred with "no can't do" or even dumb. That we can all cheerfully agree on, that we can excuse in a way. They can't afford to do much or even dream big. But investors can. Should. Why is it that despite the noise they really do not?

My theory is that we all rushed to catch this wave – we went too fast and built too quickly without stopping collectively, as an industry to agree on what's what.

So here's why I think this Gold Rush is really just a rush to apply gold leafs onto as many pieces of artsy copper jewellery as we can – we don't know real value anymore and we've all invested in eggs in different baskets and we're betting toy farms that consumers will take whatever we shyly funded as the Holy Grail of banking experiences and love us for it.

Is BE going to be where bankers and investors meet in a muddy cage fight of courage in the following 2-3 years and battle it out till the ones with the strongest religion birth the Slacks? We can only hope so, we, the consumers waited long enough.

We won't spend more time—beyond the above article I wrote all the way back in 2015—scrutinizing the numbers or the nature of these investments as there are many other sources who do these days, and in my case, I am often times too close to the story of creation of most FinTech success and in-success stories to be objective about the firms involved, but we need to look at what it was they were solving for and whether or not their models match what the industry is in need of today.

Relationship or Rail

Over the past two years, the discourse in the industry has started to shift from a complete denial banks seemed to experience when presented with arguments to suggest they may fail or cease to exist, to a vague acceptance as evidenced in more and more conversations centering around whether banks will remain offerers of experiences in a direct relationship with the consumers or will leave that part to others and simply offer the pipes for them to build on.

The epicenter of this type of dialogue that brings into question whether the existent close loop business models can survive or a more open approach is imperative is Europe, and this is fueled by regulatory changes that are due to come into effect in 2018 that will allow, mandate, and in some cases require said openness.

These changes in regulation are chiefly constructed around the principle that a customer ought to have open access to their financial information irrespective of who is their financial service provider—i.e., that every consumer should be able to see all of the information for any of their accounts held across multiple institutions in one place.

The idea of account aggregation is far from new with the early PFM providers and innovative banks having first tried it out with not only famous examples in the US (Mint, 2006) and Australia (ANZ, 2009) but also less memorably but far more significant examples such as the UK's first foray into the matter—Citibank, Egg, and MoneySupermarket all having launched account aggregation services to the consumers as far back as 2001.

We can regard all account aggregation plays pre-PSD2 as commercially driven even in economies where standards had emerged (the US but also, in an interesting organic growth story—Germany) as every institution who offered it was monetarily motivated by either a defensive play or an acquisition hope.

Post-PSD2, as Europe prepares to openly access all account information data, the change is mandated and regulation driven and as such some banks regard it as a chore not an opportunity.

In 2014, I was saying:

> *We have so much confusion in terms in banking today that if you sit 20 bankers from 20 banks down and ask them to write it down individually they may all define the process of lending or that of transfers identically the same but no two descriptions of a Banking Experience will be the same.*

This has drastically changed over the past 3 years and while as consumers, it's hard to believe that bankers are any more knowledgeable about the necessary proposition that is in fact the case and the opposite of that phrase is probably true today when 20 bankers would give 20 nearly identical answers as to what *ought* to go into the best possible experience in digital banking. This doesn't mean they can execute on this vision. Parts of this execution have happened in pockets of organizations and in different corners of the world, but overall, collectively, all of us from every corner of the industry are intensely aware of how we have failed to reinvent ourselves in a fashion that would make our consumers happy.

The fact of the matter is that we know this to be true with such crystal clarity because it is an inescapable fact of the banking culture that we are all consumers ourselves and much as we try to dissociate, we are not happy with what we have been offered by our banks and they are far from winning in this relationship challenge despite their professed love for innovation and change.

To wholeheartedly want to change, one needs a degree of self-actualization that is missing in banking today. A meaningful change would also require deep belief in the fact that there is now a choice to be made between two models of engagement—direct or non-direct, connected or disconnected, and forefront or engine at the back.

Choosing a lane is treated as non-necessary in the boardrooms of most banks today, and more and more consultancies are fueling Plan A/Plan B dreams of remaining both in the relationship game and in the backend game by offering phantasmagoric representations of interconnected hybrid models where banks could offer services themselves to the consumers but power others as well in all types of permutations, but both economics and history hold many examples of how attempting to do both the "distribution" and the "manufacturing" is hard to accomplish.

I personally dislike this particular terminology championed by some very smart chaps to illustrate the necessary shift in outlook and business cases, because while accurate, it gives banks the license to keep thinking of terms of products and silos and doesn't stress the imperative for transforming.

Beyond the stigma of having failed at the relationship game which is a very real plague in the industry these days, denying some banks any chance of being honest, and focusing on the other option, one of the key arguments in favor of remaining tightly connected to the consumer is the recognition that "data is gold."

There is little doubt about the business models of GAFA and how theirs has always been a relationship-for-data game so banks naturally want a piece of that pie. At least, in theory, they do although they have done absolutely nothing until now to prove they understand the wealth of consumer data in their possession and that they have any plans to either use it to grow their coffers or help their customers lead better financial lives.

2017—The Year Data Made Bank?[5]

Posted on January 5, 2017, by Duena Blomstrom

If you are in Finance, you would have read at least one of the many predictions articles that poured from all directions on the internet in the past month. This is not trying to be yet another one but focus on the CX angle of one of them.

[5] Duena Blomstrom, "2017—The Year Data Made Bank", *www.duenablomstrom.com*, January 5, 2017, https://duenablomstrom.com/?s=data.

Most of the FinTech forecasts herald the advent -or victorious prevalence depending on the knowledge level of the author- of a few technology trends: blockchain, chat bots, robo-advisory and AI, PSD2 and data analytics in 2017.

This last one is perhaps the most interesting one from a customer experience perspective because if we are to be honest, this is in no way a new idea such as blockchain, and not even one that needed to "cook" and be developed as AI. The ability to collect, slice and dice data has been around at this very level, for a good few years already. So why haven't financial institutions "made bank" on it yet?

While retailer have gotten savvier and savvier at squeezing every bit of relevancy of every piece of information we give them to strengthen their brand, in banking, we've seen excitement around terms such as "big data"; "customer analytics and segmentation" and even the (now completely defunct) lofty goal-phrase of "single customer view" come and go and nothing intrinsically changed in the way data is used.

Proverbial Target anecdote aside, no bank targets the newly pregnant mother with an offer for cots and no one clearly buying various elements of a vacation is being reminded of getting (or even already owning) a travel insurance.

One could argue that the very fact that this famous Financial Times personal data monetisation evaluation tool (which allows consumers to verify what their information is worth to retailers) simply doesn't include Financial data is telling.

When asked, banks cite a desire to protect the consumer's privacy as one of the reasons why they have not started digging into their data – but that's a lie. They also claim the consumers absolutely do not want them to give them actionable advice depending on their spend and this too, is at a minimum a gross generalisation as report after report have shown.

The real reason why we as consumers didn't see any of the benefits of handing over so much data is twofold: one is bank culture and the second one is technology impotence. The do not want to use the data and they can not use the data.

The cultural part is fodder for a much larger discussion, but suffice it to say it is what you'd expect: banks are huge organisations with obscenely complicated internal dynamics and a resulting inability to make courageous changes at fundamental business model level, which means they are stuck in the status quo and sadly, this status quo involves rigid age-old products and no peeking into the consumer data chest.

As for technology impotence it's much simpler: they can't use data they don't understand.

Yes, they may store every byte of information possible but it's an incomprehensible byte before basic mechanisms such as categorisation engines and data analytic dashboards are in place. In other words, they can see Mr. Smith has spent £-221.50 they only knew it went to gnerguk0001 and that it had the transaction ID 2UK170802G2110116 and the reference No. 55542763846387652450981 but evidently none of that is enabling the bank to tell Mr. Smith he is paying *twice as much as the average consumer of his age and income bracket in energy bills and suggest 1-2 alternative providers while showing him what making those savings would do for his savings in a few years' time.*

The only way that 2017 is going to be the year where Data will finally be taken seriously, is if both of these two reasons are removed and while the former is still in question, in my opinion, the latter is thankfully changing across the board as many more banks have now become technology potent in this area.

"Cross Sales" or "Life Assistance"
Transactions already tell banks what your family looks like, and what you need in terms of next, extra or better financial and non-financial services. Buying a size 12 plimsole in M&S can only mean you have a 5-7 year old to raise. All the bank has to work out is "when and how" not "if," they should tell us about their "goHenry" equivalent card and the junior ISA.

Making regular payments to a care agency can only mean you have an elderly relative. All that banks need to decide is "when and how" not "if", they should engage us about the pension top-up product or even a burial service insurance.

Put into perspective, the mere fact that comparison sites, financial advisors, insurance brokers and the likes have developed as a parallel industry to banking, is a sign that banks have spectacularly failed at their job if we agree their job is to not only to store and move money, but offer the consumer all the information and actions connected to their money as services.

The beauty of it is that "doing the right thing by the consumer" by giving them the experience they deserve through attaching meaning and intelligence to their data, is that it's a win-win – as much a moral imperative as a means to drive business and banks are in a uniquely insightful position to do so.

It's Not Business— It's Personal
Lastly, and to me most importantly, making use of data is good Emotional Banking™ practice. Customers instinctively feel that there is great intrinsic power and opportunity in transactional knowledge and, if employed for the good, they will not perceive it in a creepy "I know what you did last summer" fashion. They simply know they have offered slices of their lives in information and that feels intimate, it is arguably why they develop Irrational Bank Loyalty™ towards their financial services provider.

Giving away so much of our data is emotionally connecting in a way banks need to be courageous enough to explore to become beloved brands. It puts them at the forefront of helping consumers achieve a better financial standing by helping them save and spend more intelligently and that can very well be addictively important.

Consumers attach so much of their identity to their financial success, that it follows they would be delighted with their bank contributing to it. Not to mention utterly surprised if they did.

An ad for a savings account on the side bar of a current-account-only-customer's incomprehensible transaction list, may have been what passed for cross-sales, customer insight and marketing in most banks until now, but keeping in mind it will from hereon be "anyone's game" with the arrival of PSD2, challengers and big brands who will build smartly, it simply won't cut the proverbial P&L mustard anymore.

Blockchain and AI may well need a few more years before making a difference but my transactional data and yours is already in our banks, they now know what it means, so all they need to do in order to make 2017 the year they really became relevant to their customers, is be willing to help us act on it to become a smarter consumers and convince us they're a brand worth banking on.

The above was written as a plea for banks to put their best foot forward and win at the relationship game while using the data for a closed, pertinent, and highly significant feedback loop, but in reality, any bank who would have the capability to create meaningful data insight from their customer's behavior has already found the proverbial gold and will be in a position to resell it so that it powers the feedback to the experience layers without having to be a player in that realm themselves.

In other words, while the holy trinity of banking data would of course be holding it, transforming it into insight and then feeding it back to the consumer in a true life-empowering experience, it is entirely reasonable to presume splitting this in two (or even three if we accept the holding is but an infrastructure commodity) will be the case and more banks need to understand that whoever is able to make sense of the data in meaningful ways whether on the relationship or the rail side is the likely winner.

While I'm a vocal advocate of the open dialogue needed to create business cases to support choosing any of these two lanes and the cultural change needed to enable that open dialogue, I am not claiming any of the two is the "better" route if profitability is the marker.

Banks today are a fascinating mishmash of scintillatingly new technology and old systems; the best of superheroes and the most corporate of drones; claims on the deepest of human topics such as "trust" and "security" and the complete lack of interest in exploring them; the most of valiant attempts at the hottest trends in way of working and utterly antiquated thinking; pockets of passion; and segments of arrogant complacency.

Stuck between being software houses and service providers, having secular stability, or embracing instant change, banks are a complex place at the intersection of intricate large organization corporate culture, technology, money, numbers, and lastly an ever too patient and forgiving customer.

The Emotional Banking™ methods may seem like they are designed for the banks who resolutely want to remain in the relationship game, but rather I would wager the shift to becoming successful pipes and intelligent rails also has deep, meaningful cultural change as a prerequisite.

CHAPTER 2

FinTech—Trends, Players, Challengers, and Bubbles

Contents

Themes and Trends

I am what could be called an accidental technologist. I don't have any formal education in computer science and being heavily right-brained means that I have lived most of my life with a fear of having to one day dig deep into my 6th grade Physics or Maths when my offspring would expect me to replace Google and explain how electricity works or how we determine a sinusoidal function. Thankfully, technology was mercifully faster off the mark than I reproduced so there is little danger of my non-technical/non-left-brain-ism to end up affecting his education as he would never call upon my knowledge in lieu of that at his fingertips.

With that said, when I discovered software development 20 years ago I realized very fast that I "get it." By "it" I mean the concepts that govern a specific piece of software and the levers and drivers to create, improve or test systems. To this day I remain unable to write a line of code, but I have developed quite some understanding of the principles behind most elements of today's tech and the way it is both made and integrated chiefly thanks to having met wonderful techies who have shaped my understanding.

Having the ability to understand concepts such as the underpinning accelerating technology advancements—the profound effect data storage and processing advancements and the advent of cloud services have on infrastructure

D. Blomstrom, *Emotional Banking*,
https://doi.org/10.1007/978-3-319-75653-0_2

or the transformational nature of processing speed, when it comes to real-time data analysis—has proven crucial in my understanding of FinTech.

Technology, as applied to the financial services, is made even more complex as it is intimately connected to the customer proposition and the way it can become part of it, as well as by the fact that the industry is currently bloated and far too hype and marketing heavy.

To this day, one of the chief requirements I have of my teams—who have to stay hungry for knowledge and inquisitive to work with me—is that they ask themselves "what's in the box?" That they unwrap the layers of a FinTech proposition one by one eliminating marketing hype and industry jargon, and find its actual technology core. What is that new piece of technology built on? What is at the middle of it? Only then can they tell if it's valuable or not and how they can realize its true potential.

Here is a brief list of some of the major themes in FinTech of the last few years although, with the pace of change in our industry, if you are reading this book a few years later than 2018 when it was published, these names could have changed beyond recognition and history could have been rewritten in terms:

The main technology enablers to change the BACK-END of banking

REAL-TIME TRANSACTIONS
CLOUD COMPUTING
ANALYTICS
BLOCKCHAIN
AI

The main themes on the FRONT-END of banking

MOBILE
PFM
ROBO-ADVISORY
CHATBOTS/VOICE
P2P/BORDERLESS/INSTANT PAYMENTS
CRYPTOCURRENCIES

OVERARCHING themes to shape both the back-end and the front-end of banking

PSD2 (Europe)/ACCOUNT AGGREGATION and OPEN BANKING (Rest of the world)
IDENTITY
DATA

Formal education is slowly catching up to the fact that Financial Technology is a complex discipline of its own and as of recently, most universities are offering some type of postgrad courses to teach FinTech and I can only hope and pray their curriculum is not too far from the topics above and combines business and tech to the degree that their graduates will be able to pinpoint firm differences between "AI" and "Chatbots" or explain how chatbots can range from being a rudimentary operational play to replace a call centers, to, at the other end of the spectrum, an engaging immensely valuable Money Moment enabler when they employ natural search language and machine learning.

I hope these universities create a new IT Systems and Business Analyst and Design Thinking Specialist hybrid because in the ever-evolving world of FinTech everyone will need to be an architect and deeply understand technology to navigate its complexity.

Innovation in Incumbent Banks

Faced with this 10 years feast of technology trends and themes ready to aid them reinvent themselves and the experience they offer, what have banks done? Revamped their back-end so it supports real-time, meaningful data analysis? Reimagined the front-end experience? Redesigned the way they work inside the organization to be efficient, nimble, and competitive with all other tech?

Made best use of technology to power meaningful innovation?

The sad resounding answer is that while all this tech could be measuring up to the enormity of the task, it hasn't been put to good use, and very few of these pieces of the technology Lego have been employed to anywhere close to their potential and in this book, we postulate this is because of the banking culture practically disallowed it.

Holy Bank Paralysis Batman [1]

Posted on September 21, 2016 by Duena Blomstrom

*The long writing hiatus was chiefly due to being busy but also having to process how I feel about a rather bedazzling find: **"Tangible Banking" stood still while I was "away"**.*

Not all of it of course, there was much done on the launch and proposition of challengers and front-end of neobanks but for traditional, big retail banks time shockingly stood still. A time they hardly afforded to lose to begin with.

As some of my readers know, I left the very practical side of things – selling and designing a core transaction and data FinTech product for banks who

[1] Duena Blomstrom, "Holy Bank Paralysis Batman", *www.duenablomstrom.com*, September 21, 2016, https://duenablomstrom.com/?s=Holy+Bank+Paralysis+Batman.

desperately needed it as it could dramatically change the consumer experience-about 18 months ago to do the "Less Tangible" banking stuff and ask them to stop and think of the consumers' feelings and take introspective long hard looks at their organisations. One would argue I moved from a "doer" to a "thinker". Some would argue I moved from being FinTech-er to being a professional finger pointer. Call it what you will, I spent that time writing as a banking consumer advocate, advising lots of FinTech companies how to approach if not defeat inertia and even working with a handful of genius banks who "got it".

A couple of months ago I went back to "Tangible Banking"and I was blown away by where banks had gotten in the time that I was "away".

Nowhere much.

Reaching out to some of my old clients and prospects I heard the same complaints and excuses and I attributed them to natural moaning needs of unsung heroes – bank employees who stuck it out during this FinTech palooza and tried to make these organisations move. A task worthy of Sisyphus.

Sadly, as I got a deeper understanding of what exactly their organisations have brought to the consumer in the time I had joined the "Intangible Banking Fixers" brigade, the complains are genuine – nearly nothing substantial can be pointed to and some of the same projects that were slow moving back then are still around whether on hold or being resurrected now. The big worthy ones. The ones about IRL data access, the ones about replacing spaghetti back-ends that prevent change, the ones about vision that is truly digital, the heavy stuff.

Look, I get banking inertia caused by "Business Prevention Departments" (J.P. Nicols Perpetuity TM) as much as the next frustrated doer or thinker in the industry, and I realise to my FinTechMafia gang this is another article on "same stuff I've been writing about since 2000" but this is a whole new level of ludicrous, when I left "tangible banking" there was impossibly much buzz about how banks were "finally getting somewhere" and heaps of really solid projects in the works and they have all but vanished.

Here is who and what I blame:

- ***Blockchain**. Yes it's complex and yes it's potentially revolutionary but did everyone in every financial institution have to drop everything else they were thinking of to read and learn about it?*
- ***The slow pace of industry innovation**. Just look at a Finovate Buzz words card and you'll know nothing much was offered to the banks from the FinTech innovation side of things in the last 3-4 shows. This is partly because there is state-of-the-art front-end and no easily approachable back-end proposition fodder out there, but also because FinTech needs to make a buck and pushing the innovation barrel too far ahead of the banks makes no ROI sense.*

- ***The inability to catch-up of knowledge houses****. 6-7 years ago the big consulting giants were woefully behind in offering any kind of serious strategic guidance to big retail banks in digital and top product designers stood in for them. They still are and they still do.*
- ***The FinTech commentator inflation****. A few years ago there were 30-50 voices internationally who stepped in for the knowledge void created by the analysts and consultants. In the last 2 years that number has immeasurably exploded and while in the future that will be great for the industry as it will filter into real value and some of the newcomers are providing that already, it's simply just massive noise for the banks for now, furthering their confusion.*
- ***The Great FinTech Distraction (TM)****. The mere number of Innovation Labs, Funds, Incubators, Aggregators, all other "-gators" says it all. How is one to focus on getting things done when one is not sure what the next best thing is and needs to keep on scouting?*

Much as I would rather find reasons to praise the big retail banks and distance myself from the mindless bank bashing that some have taken up as a sport, for the reasons above, I feel everyone dropped the ball and allowed a vicious sort of analysis paralysis to take over. Let's pick it up again and get going on that Free-to-Spend project from 2001.

FinTech as a Threat

While banks were busy non-innovating and as a response to it, there has been a portion of the industry that has risen on the premise that they would do the job better.

While a lot—if not most—of FinTech is B2B and is therefore geared to be a partner and enable banks to win, there is plenty of FinTech that is coming to eat the bank's lunch in a B2C and they won't be stopped by bankers being in denial about whether or not this is happening—the challengers.

Who Are the Challengers? (Banks and Experience Layers)

There are as many definitions of what challengers are as there are challengers. It is debatable what that says about each of those numbers. The discussion is pertinently framed in a Burnmark report by my close friend Devie Mohan—one of the strongest analysts in the UK—and she chose their proximity and relationship to incumbents as a way to categorize them:

> *"The umbrella of 'challenger banks' includes multiple personalities of apps, websites, branches and a combination of these.*

Fig. 2.1 Challenger bank positioning (*Source* Burnmark © April 2017 The Financial Brand)

> ***Embryonic Challengers***: *FinTech innovators on the banking value chain who operate only through mobile apps in partnership with traditional banks or other (bigger) challenger banks.*
>
> ***Real Challengers (or, just, challenger banks)***: *Non-existing banks which have obtained a banking licence in the last 3–5 years or are in the process of procuring a banking licence AND has digital as the only or predominant channel for engaging with customers.*
>
> ***Pseudo Challengers***: *The digital subsidiaries, digital partners (neo banks) and digital startups of existing banks which engage with customers through both branch and digital channels"* in Burnmark's "Challenger Banking" report from October 2016.[2]

Later, she went on to refine that categorization depending on their business objectives, employed technology, and likelihood of success and thus see them as "*Niche Disruptors, Digital Enhancers, Value Redefiners and Industry Transformers*" in a further "Challenger Banks Battleground" report[3] built in collaboration with Financial Brand's Jim Marous (Fig. 2.1).

[2] Burnmark, "Challenger Banking", *www.Burnmark.com*, October 2016, http://burnmark.com/wp-content/uploads/2016/10/Burnmark%20Report%20Oct2016.pdf.

[3] Jim Marous, "The Challenger Bank Battlefield", *www.digitalbankingreport.com*, March 2018, https://www.digitalbankingreport.com/dbr/dbr247/.

Seeing how I am not expected to be rigorous in analysis as the above professionals are, I like to think of all new and old propositions as "challengers" simply on account of whether or not they are seeking to disrupt the status quo of banking.

Incidentally, this definition can—and does—include traditional or incumbent banks as well although so far, their efforts mostly materialized into separate, experimental digital subsidiaries.

The only other distinction between a "real bank" and a "challenger" has to be around whether or not they are a regulated entity and hold a license or not. Whoever does, whether centuries old like HSBC or brand new like Starling, is a **bank**. Whoever does not, whether new or old and irrespective of their size is an **Experience Layer**.

In light of the many factors that influenced the birth of these layers—from purely capitalist motivation all the way through to regulatory changes—we are now looking at a new wave of companies that make a living from providing Money Moments (™) to the consumer, and while useful from a scholastic perspective to research and analyze the implications of this wave, on the other side of the fence, the consumer simply sees a new experience. They then have to make a decision whether to trust it or not.

When they do, and elect to make them "one of"—if not the primary—Money Moments provider, the consumer is de facto thinking of the Experience Layer as the Bank oblivious to distinctions such as what technology they are using, or whether or not they are regulated.

Studying how that process of trust transfer between one institution and another takes place and what the influencing factors are would serve the industry well as so far, we've been choosing to ignore its complexity and fly blind, mostly hoping word of mouth regarding a new digital experience will be enough to make a consumer invest enough trust to try it and then a further amount to make the offerer their primary Money Moment provider.

With the UK being one of the first markets where experience layers have exploded in numbers since the decision to open the bank license process in 2015, it is interesting to look at their overall success rates with adoption as an indication for how that trust transfer process is going.

It's not stellar.

Despite the existent propositions being fairly well known even outside of the industry to the larger public, the uptake is far from spectacular. Only 3% have switched bank account in the past year and over 50% of all bank account holders have **never** switched their current account.

This is in spite of the fact that mobility between banks old and new is supported by the huge investments that banks make in attempts to acquire new customers and are further encouraged by governmental programs such as "uSwitch," which sees to it that customers are able to change banks with extreme ease and advertises the smooth and simple process to the public.

Looking at the stats above is what makes traditional, non-challenger bankers justify superior eye-rolls and dismissive patronizing smiles when they hear about the threat of FinTech.

They simply believe no challenger will ever be able to have enough mass to become serious competition. Whether they are right or wrong only history will teach us but we already know they are wrong when it comes to one particular type of possible Challenger—Google, Apple, Facebook, and Amazon (GAFA) (and friends).

The Real Threat: The Banks of the Tech Giants

Everyone is in awe of the evolution of the tech giants. Founded "just yesterday," GAFA have accomplished what economy courses would have never imagined as possible a few years ago before technology changed everything, and turned garage start-ups into the biggest companies in the world with the strongest brands.

Added to them, former e-commerce, search or gaming pure plays from Asia such as Alibaba (with their Ingenico partnership Ant Financials and its Alipay), Baidu, and Tencent are emerging as immense powerhouses with declared and proven interest in financial services with market share on the rise. Chris Skinner outlines their emergence in his inimitable witty style proposing the threat is coming from "a new gang of six - FATBAG."[4]

If we set aside the magical-thinking-argument that some bankers like to display by debating whether or not these companies even have any interest in "becoming a bank," we can focus on being realistic and affirming without a shadow of a doubt that yes, they are actively considering all avenues to monetize the data and provide a financial service while defining the Money Moment and we can debate who "they" are with more clarity.

Personally, I believe that while size is indeed a consideration and having enough mass will undoubtedly make a substantial difference in whether or not either of these companies can win in lieu of banks, the size threshold is lower than is suggested by the market share of the giants above and that opens the threat to other technology and data shops as well such as device manufacturers or sharing economy service providers.

They too can become successful experience layers and potentially primary Money Moments providers if, in addition to critical mass, they have brand and ability to design an addictive experience. While players in the shared economy service industry such as AirBnB or Uber have a closed ecosystem of trust and a lot more brand capital than the occasional newspaper scandal would have us believe, device manufacturers can control the very core of the mobile phone experience—the notifications layer and can therefore truly design with first principles in mind, away from the constraints of banking products.

[4] Chris Skinner, "Forget GAFA, the Real Threat Is FATBAG", *www.thefinanser.com*, September 2016, http://thefinanser.com/2016/09/forget-gafa-real-threat-fatbag.html/.

Either of these can become a bank overnight. In fact, Facebook already has whether they choose to exercise that or not. When news broke out of them applying for a European Payment License at the beginning of 2017, I wrote the following:

The First Big Brand Bank: Facebook[5]

Posted on January 17, 2017 by Duena Blomstrom
I posted this Tweet yesterday and got a lot of response.

"@duenablomstrom: There we go #Facebook - a #brand becoming a #bank - like I've been on and on about"

My tweet refers to this article I wrote many moons ago warning that brands will become banks if banks won't become brands themselves in light of the Techcrunch article[6] *highlighting Facebook's newly awarded European Payment License and the comment belongs to Christoffer who works for a bank I know intimately – Skandiabanken, which is the original challenger bank of the Nordics. -By the way, when these guys say "digital ecosystem" and "disintermediate" they are not using empty jargon like others may, they have been through the rings trying to understand engagement – consider they started as part of the group who did all the other components of long term investment and none of the day-to-day banking before they created them.-*

FACEBOOK *IS* A BANK
First of all let's get this out of the way – there is no "will be" or "intends to be" about this. They have acquired an eMoney license, PSD2 is happening and they are already doing in-app transfers in the US. Between these factors there are no "if"s and "but"s to be considered – that is a bank. Many FinTech-years ago we could afford to play naive and doubt it, but I trust these days anyone reading this knows that a banking license is superfluous if you combine those elements.

Secondly, over the past few years, they made no secret about this being their next step.

As one of many examples to support the above take the acquisition of ex-PayPal superstar David Marcus: "It's the job of Marcus, a gently spoken 42-year-old French-born fintech guy, to turn a proprietary messaging app into this all-encompassing platform – essentially, an operating system on which third-party apps, and entire businesses, can be built in ways that lock them into the Facebook

[5] Duena Blomstrom, "The First Big Brand Bank: Facebook", *www.duenablomstrom.com*, January 17, 2017, https://duenablomstrom.com/2017/01/17/the-first-big-brand-bank-facebook/.

[6] Christoffer Hernaes, "What Facebook's European Payment License Could Mean for Banks", *www.techcrunch.com*, January 12, 2017, http://techcrunch.com/2017/01/12/what-facebooks-european-payment-license-could-mean-for-banks/.

ecosystem. The Chinese have already shown what's possible: social media giant Tencent enables 600 million people each month to book taxis, check in for flights, play games, buy cinema tickets, manage banking, reserve doctors' appointments, donate to charity and video-conference all without leaving Weixin, the Chinese version of its WeChat app."

With that said, just because Facebook is a bank[7] *it doesn't automatically follow that it will succeed. As any other new entrant in any market what they need is:*

An audience
A product
Trust
Brand

THE AUDIENCE

There is little to dissect about this. They have the audience. Facebook's numbers in terms of adoption and usage are unquotable, theirs is now a model of customer acquisition used in business schools as an example of successful platform building and relationship creation.

It is also only from hereon that they are starting to get serious about monetising on their huge numbers. Let's face it, no one buys nearly 2Bn users if they don't intend to make money off them, although of course, becoming a bank is not the way to do so.

THE PRODUCT

Facebook's is not the most beautiful digital product we use today. Or the easiest to navigate. Or the most surprisingly delightful. It doesn't win in any of those categories but it is certainly in the top echelon of all of them.

*Not only that, but Facebook constantly and -some would claim unlike Google- constantly upping its own game product development wise, and features that we all would have bet would be a flop end up polished and widely adopted. Just look at the ease of integration of Facebook Messenger into Slack. Do you know why that is? Because teams use it for work communication over serious/secure/*etc. *competition such as Skype for Business. And if their features don't win the consumer over they are certainly not afraid to go out and buy them ready-made from elsewhere as they have done with Whatsapp although they claim they need them both.*[8]

[7]Lionel Laurent and Leila Abboud, "Counting Down to the Bank of Facebook", *www.bloomberg.com*, July 25, 2016, https://www.bloomberg.com/gadfly/articles/2016-07-25/telefonica-banking-venture-is-latest-tech-threat-to-big-lenders.

[8]Alice Truong, "Tale of Two Chat Apps", *www.QZ.com*, April 22, 2015, https://qz.com/389339/mark-zuckerberg-explains-his-distinct-visions-for-whatsapp-and-messenger/.

Just because they haven't yet made a big fuss about adding a "show me my balance and a few ideas of how to do better next month please, M" feature or you can't see the "MyMoney" tab in your Facebook app's menu it doesn't mean it isn't being cooked. If one looks at UK's many heralded challengers, most are missing an evident offering as well so far and only time will tell who has come a longer way in designing the end product behind closed doors.

In fact, if we are to judge by the obscenely easy-to-use money transfer feature US clients are already enjoying, it is one worth waiting for.

THE TRUST

In 2010 we collectively hated Facebook for many reasons – today all or at least most of those have been either sorted, or the perception changed, so the trust capital Facebook is building is on the increase. Not to mention they have the money and patience to wait out an entire generation of disbelievers if need be.

There is an interesting dissonance between how much people believe they trust Facebook when polled (not at all) and how much information they freely deposit into it through daily usage (GB of intensely sensitive data). The theories as to why this occurs all come back to how a cerebral privacy concern will not stand in the way of instant social gratification. In a way, it is a subconscious identity value exchange. We are aware our personal information is valuable and potentially misplaced but the risk is worth it as the emotional reward is great enough.

Privacy concerns are nonetheless, the main reason quoted as to why the Facebook Bank may not succeed. Who in the industry has not heard the following reaction of incumbents when discussing this topic? "Oh c'mon, who wants to bank with Facebook?!? I never even post photos of my kids!"

Generalisations aside, people do trust Facebook. Maybe not "your people" or "my people" -whatever segment you identify with-, but enough people of the total to make up one of the word's largest bank. Overnight.

When asked how much people trust Facebook with their personal data 32% say "somewhat", 34% say "not very much" and 28% say "not at all". That is an overwhelming amount of people who do not. But most statistics will unveil that there is at least a 3% who answer the same question with "a lot".

What's 3% of 2Bn? Two Lloyds banks is what.

THE BRAND

On the plus side, bank already have by comparison an immense trust capital even if according to EY's latest findings it is diminishing.[9]

[9] EY, "The Relevance Challenge", *www.EY.com*, September 20, 2015, http://www.ey.com/gl/en/industries/financial-services/banking---capital-markets/ey-global-consumer-banking-survey-2016.

Also on the plus side, banks could buy 2 Bn users. Not with ease and not likely, but conceivably, a few of them could poll their resources and do so. Similarly, enough common conviction to spur that could also, hypothetically, power them to build a product that people truly wanted and enjoyed using. Hypothetically.

What can't be easily matched and what all banks -new or old- should fear is this: Banks are not brands. Facebook is a real brand – deeply life embedded and intensely emotionally relevant.

23% of world's total population has it today as the hub of their social lives. 1 in every 5 humans use it as a primary communication method, a photo repository, a news outlet, a virtual shopping mall. An intrinsic part of our everyday lives that highly matters to us and is inserting itself deeper and deeper into our subconscious. Take the effect of the sentimental value that Facebook Memories announced in 2015 is exerting over its users – it is nothing short of monumental and it will prove itself a cornerstone in Facebook's unbelievably scintillating engagement strategy.

What could banks bring to the table to match that when they will not even take a close look at the customer's data?

"BUT WHY?!?"

A common reassuring mantra about the Bank of Facebook one can hear in the industry is the old – "Why would they even want to be a retail bank? There's no money on it!" adagio, as if the social media giant has ever been instant ROI driven.

Facebook knows being a retail bank doesn't pay off in itself, but they also know how intensely personal one's relationship with their finances is and how powerful of an engagement play this is, and while they may not want to be our cashier they certainly want to be our life management console.

Will my child be using this life console when he grows up and implicitly be banking with Facebook? No doubt in my mind. The only question is "Will he be banking with HSBC as well?" Maybe. Whether it will be "with" HSBC or "on top of" HSBC – a relationship partner or the invisible mechanism powering Facebook Bank's experience is what is at stake.

This is it, the year that a real brand becomes a bank. There's no more time to waste to stay in the game.

This same article with unimportant variations in terms of execution can be written about any of the tech giants. That makes banks who brush off the threat of challengers and FinTech by confining them to restrictive, convenient definitions that guarantee safety, truly dangerous.

About a Bubble

If one looks at the numbers poured in FinTech—a brand new industry, the sums are mind bending.

The UK generated £524m of FinTech investment in 2015, while the US raised £3.6b in California and £1.4b in New York in 2015. Beijing's venture market has increased from £1.0b of VC investment in 2012 to £8.6b in 2015 and is now second only to San Francisco. Shanghai and Shenzhen Exchanges listed a total of 1460 companies in the last decade, while NYSE and NASDAQ witnessed 1594 listings.[10]

In 2013, the number to illustrate the boom was a projection of global FinTech investment raising to 6 billion in 2018. In 2015, that projection was at 7 billion according to some analysts, 8 billion according to others. None could have predicted that the global FinTech investments would double to 8.4 billion in a single quarter in 2017,[11] according to KPMG.

Staggering numbers indeed.

In spite of that, or rather, as a result of that, there is an acute devaluation happening in FinTech of knowledge, of time, and of actual sums of money. There is no point wondering why there are no "became rich through FinTech" stories as we may attribute that to it not having yet reached its full potential, neither is there any point discussing the plight of trying to sell knowledge in a market intent on maintaining mediocre standards of know-how that accommodate the status quo.

But it is worth it to look at the bigger numbers thrown around in the industry to see if those at least reward value.

It seems the numbers simply don't make sense here either. Part of it is normal dilution as the space is becoming overcrowded but part of it is baffling.

I don't begrudge the superstar fund-raisers their 10th round or their undeserved billion evaluation as it's not all about whether eToro is better than the host of other propositions in its space or SoFi is the exact same one as tens of other attempts in the US P2P market albeit with a more defined segment, it's about who was in front of investors when they agreed to it.

Same goes for why a new challenger bank would raise tens of million on a hope and a dream while a comparable proposition would have raised a quarter of that in their entire existence.

That may not be intuitively fair but it's normal. Technology has never been about the pure product or solution but about what it is that transforms it from a scientific endeavor to a business proposition—the people behind it.

[10] Burnmark, "Challenger Banking", *www.Burnmark.com*, October 2016, http://burnmark.com/wp-content/uploads/2016/10/Burnmark%20Report%20Oct2016.pdf.

[11] KPMG, "The Pulse of Fintech Q2 2017", *www.kpmg.com*, September 2017, https://home.kpmg.com/xx/en/home/insights/2017/07/the-pulse-of-fintech-q2-2017.html.

With that said, there has to be an intersection point where value of people's salesmanship cannot cover lack of tangible technology, right? There is no way we, the industry, would finance absolutely nonexistent preposterous propositions yet let valuable tech fall by the side of our golden bricks pathway, right? We may get confused by the lack of established vernacular and intentional consultancy speak making everything sound equally shiny and impressive, and we may fall in love with some of their people but surely in our hearts of hearts we know enough collectively that the overall result will be one of the wheat separating itself from the chaff, right? Wrong.

In the past 2–3 years, it's almost like we've become inundated with both people and proposals that are of very limited quality and yet we've also gotten less and less willing to be vocal about it. If knowledge is the emperor, the emperor is slowly shedding his clothes in our industry and we're going to stand by and watch it become butt naked and not even point and snigger. We make wider and wider of bets. We're less and less inclined to ever call a spade a spade and we found a way to believe this bubbling format of hundreds of incubators and accelerators, 30 challenger banks in one country only and growing YoY in people and solutions at an astounding rate is normal.

We are even so far removed from common sense that we can wonder if this is a bubble. We compare ourselves with tech in general, they are booming, in a healthy manner right? Why shouldn't FinTech have the same rosy fate, then? Because "Tech" is the underbelly of everything. Every aspect of our lives. By contrast, FinTech is an overgrown mushroom of one thing only: The way money providers sort out their back-end and their front-end to answer consumer needs.

Ours is a gazillion-billion industry which we believe will forever continue to thrive built solely around the fact that banks and others were unable to get their act straight on their own. Same goes for insurance hence the now emerging "InsureTech." Where is RetailTech though? Or AutoTech?

One would argue it's not only fixing but also looking ahead and innovating and disrupting, hence the space for the flock of savior-unicorns but why are we so accepting of the premise that innovation was only their apanage and non-accessible to the incumbents? Because they are big monolithic organizations paralyzed by a culture of fear to move which is why they need FinTech.

Most of us have accepted that a period of serious maturing and consolidation has to happen in FinTech fast, and in a few years, it will hopefully, mercifully even disappear as a term and be just "Tech" once again with its wonderful Augmented Reality, Design DNA, Data, and AI focus. It will mean we finally got our collective house in order and are able to give people access and overview of their Money Moments in a simple, enjoyable way that flows into their lives.

Within the next 2–3 years, this whole FinTech industry built on how culture prevented banks from fulfilling their purpose would have finally deflated and shrunk and the likely to remain are real challengers whether they are enabling B2B platform technology plays or experience layers built by traditional or new banks or tech powerhouses.

CHAPTER 3

Products vs. Money Moments

Contents

Banking Products

Depending on which textbook you consult the list of products that a retail bank designs, maintains, and sells varies but it includes:

- Current accounts
- Loans—consumer credit, overdraft, and credit cards (some consider them a stand-alone product and have internal structures to correspond but cards are simply vehicles for payments and can at best be considered a channel alongside ATMs, telephone, branches, online, mobile, and now voice/assistant/AI banking)
- Savings
- Mortgages

These are all **artificial constructs** that banks have postulated to be what consumers need in terms of interacting with their money. They have created them and proceeded to sell them.

The mere fact that banking is using the term "product" is telling and rather significant. These are services, special types of services at that, and should be regarded as such.

D. Blomstrom, *Emotional Banking*,
https://doi.org/10.1007/978-3-319-75653-0_3

The distinction runs much deeper than sheer terminology as it informs banks' attitude toward branding and relationship and partly explains the obstinacy of keeping their business at a transactional, emotionless level.

The sale of a product requires presentation of its various features, and the only variables are around its distribution, its marketing, and its pricing. The sale of a service on the other hand requires the above elements as well but depends on other elements focused on the manner of their delivery.

A lot more thought needs to be invested in the optimal presentation of the benefits of the proposal, the moment it is delivered, its level of customization to the segment of the end consumer, etc. Most importantly, selling a service implies the creation or maintenance of a relationship.

Products are sold "as is" in transactions that require efficiency and operational excellence. Services are sold "per fit" in dialogues, negotiations, and experiences that require empathy and communication excellence.

Banks need to urgently stop thinking in terms of "products" and shift to starting to explore what it means to be selling "really emotionally charged services."

As for the customer, they need not hear either of those terms. In fact, they need to know nothing about any of it. They just need it to flawlessly power their Money Moments.

Money Moments

What I call a "Money Moment" is a certain time sequence when a consumer has had to interact with their finances. This can be expressed and intentional such as entering a branch with the intention to deposit a check or subconscious such as the concepts powering "Invisible Banking."

Most of the time, consumers will pay no mind to the underlying banking product that underpins the Money Moment. They will be focused on the life moment that amount of money will facilitate—whether it is a small or a large purchase. They visualize the beach, they do not dream about the credit card balance check.

They have no interest in whether that is a transfer, a credit, a debit, or a deposit. Most are not aware what the names of these products are and that is essentially right; there is no reason to have consumers aware of the intricacies of a certain process in the background that has randomly assigned a product name by the bank.

The tragedy is when they do know what the respective product is, when they know its name, when they know its prerequisites, when they consider the challenges or risks of acquiring it in advance, and most significantly when they underpin life decisions and even life stages on that respective product.

From a customer experience point of view, the true Nirvana of banking would undoubtedly be if it became utterly invisible and keep serving us flawlessly in the background, thus empowering our Money Moments.

Ideally, it would become as invisible to the everyday lives of the consumers as Uber's payments. The reason Uber is successful is their ability to remove the payment from the interaction and transfer it to the background where it belongs to ensure the customer receives great service. That would be the golden standard for bank services powering life moments.

Invisible Banking

Invisible Banking is therefore the concept of banking happening in the background, empowering your Money Moments, and ensuring your life is flowing smoothly.

A few years back while I was working with the Personal Finance Management FinTech Provider Meniga, we put together a feature for one of the famous industry shows—Finovate called "Peace of Mind Banking."

After showing off our very awesome PFM solution and winning best of show the year before, we are now wanting to go the extra mile, design and execute on the future of digital banking—automation for the benefit of the consumer.

It was very simple—only manage your finances by exception.

Unless something new and unpredicted happens, your bank knows what Money Moments await once you get paid—paying bills, regular transfers to savings accounts, etc., and there is no reason not to do those things for you automatically leaving you free to only manage disposable income while looking at yet another guilt-inducing pie chart showing you how much Starbucks you shouldn't have had (yes, a pie chart—this was 2012!).

Furthermore and maybe most interestingly—a bunch of the underlying banking services could be redefined—why ever be overdrawn if the bank can ensure you are not and move money between accounts on your behalf to avoid it? Why keep funds blocked in a savings account with a lesser yield when your bank launches a better offer and not ensure it is always dynamically moved between accounts so you get the best rate?

The promise was never again have to perform tedious banking tasks, only keep an eye on expenses depending on what's Free to Spend, never be penalized for late payments, and ensure your savings are "the best they can be." All of that magic. All perfectly and easily doable on top of the back-end of any bank.

Invisible Banking.

One could think this revolutionary idea is now commonplace in banks around the world, right? That surely banks found a way around the fact that this will assassinate their traditional profit venues (maybe by charging for this service, heaven knows some of us would pay for it!) and are offering it as an alternative to the traditional online bank, right?

Wrong.

This went to FinTech Good Idea Heaven (same place where you'll find another great app inspired by the one and only Ron Shevlin called "To Buy Or Not To Buy").

We will likely see some of the challengers claiming they are attempting the above model (Secco Bank and Mondo (now Monzo) in the UK were both announcing attempting to build this and Accenture's Fjord mentioned DBS is building a new digital experience based on the concept of lack of visibility) but their degree of success in executing, is debatable.

The reason why incumbents didn't execute on this is because they are slow and sluggish and terminally afraid of attacking existent trialed and tested business models, and challenger banks have a very different hurdle—technology.

Considering that some argue the likelihood of challenger banks becoming a primary bank to their consumers is nearly zero, they will be a secondary or tertiary addition to the amount of banks a consumer interacts with.

Invisible Banking can't be fragmented, partial. It has to act on a full picture. This means that any of the banks attempting it must have a complete overview of all the data from all the accounts a certain consumer has with any of the banks he interacts with. That they aggregate all this information in one place for them and a step forward, and that they are able to act on this information and send actionable change requests back to these other accounts.

In Europe, this could be solved by the promise of PSD2 and Open Banking which both mandate openness of data and require paths to ensure full interoperability. In the US, Australia, Poland, and a few Asian countries, the concept of account aggregation has long been in play as it has been employed by various firms willing to show complete financial information to the consumer; however, this type of account aggregation is "read only" meaning it will not allow the Invisible Banking provider to take any action on behalf of the consumer by say making a transfer to a better savings account or paying a bill in a competing bank.

The challenge of achieving actionable account aggregation is the biggest barrier between Invisible Banking and the consumer but it is not the only one.

Realistically, the data have to be utterly accurate and relevant before it is accurate and it therefore must be correctly categorized.

In 2016, with the raise of the Neo Banks, I've written about these sine qua non conditions in a series of Open Letters to the Challenger Banks as they are the most likely providers of Invisible Banking.

Open Letter to the Challenger Bank—Part 1[1]

Dear Challenger – Pull up a chair and let me get you a cuppa. This could take a while. Let me start by saying I'm here to kill some of your dreams. I'd apologize in advance, but it's necessary cruelty. You can hate me all you like, but we both know this is not about me and not about you, but your consumer.

[1] Duena Blomstrom, "Open Letter to the Challenger Bank Part 1", *www.duenablomstrom.com*, June 29, 2015, https://duenablomstrom.com/2015/06/29/an-open-letter-to-the-challenger-bank/.

I buy it that you love your consumer already, Challenger, I really do! I think you're honest in your pursuit of a better way for them, and I know you're right to be indignant in your assessment of all the banks you're challenging on their behalf. I believe that you're feeling less like a new business owner and more like a newly minted social worker. I'm not here to doubt any of that enthusiasm. Go dreamers, because heaven knows the consumer needs all the help they can get, but they won't get it unless we clarify some terms.

You don't need a pen you can take notes on that iPad. The terms we're here to discuss are almost the opposite of my usual easy-to-mistake-for-fluffy 'let's think of people's feelings' stance, and that's because you, my dear Challenger, have nearly got that right. You get what millennials want, what busy professionals are frustrated with, how to make cool experiences that delight, and you use fancy and oh-so-delicious terms such as 'invisible banking', so I'm proud and hopeful. We're here to talk about four things without which you can forget it – pack your bags and go back to the incumbent you want to escape.

These four things are: core technology, product, and two key business terms, adoption and retention.

Technology

When I say technology, I need you to tell me what you bought to make this happen. Or built. No matter. Open that box, what does it have in it? A core banking system you say? Great. Are you anxious because you bought what you used to think you hated in your other job, yet you're not sure it will hold up to scrutiny? Don't be. They'll get smarter with you, so pull them along. You're worried because you're not positive the mainstream tech you've pulled together in your own makeshift box may make it disintegrate? That's possible but you'll deal with it. Either hating your back-end provider or wondering if your hacks will hold is part and parcel. Welcome to being a banker.

I'm here to ask you to look for two things in that box.

Get your arm in and tell me if you feel anything shaped like a sturdy transactional categorization engine, and something that feels like an automatic aggregation framework. Found them? Marvelous. We only need to worry about some of the other things now. You can even skip straight over product, as those two will keep consumers in love even if you have none.

Wait, what? You only found one, or worse still, neither?

Uh oh, Houston we have a problem. We don't have a minor, easy-to-fix-in-time problem. We have a major one that will not let us get those two magical things called adoption and retention, because you know what, you won't be able to show the consumers what they did with their money and what they did in the places they spent it in, because you do know in your heart of hearts that no matter how many new features you think of, and how amazing your APR proposition is, you *won't be anyone's primary bank, right? At least not to start with. Not for a long while, and they need to kinda look at the entire picture of their finances or they won't come by. You need categorization to show them what, and you need aggregation because the where happens in several places and primarily elsewhere.*

Yes, yes, finding (and affording) those bits of technology is nearly impossible, and your provider had no such thing, and utterly impossible to build so your team and your other technology providers said you'd be fine without them, that you can wait for the change in legislation to add it easily later on once all the APIs land in your lap. Or better yet, wait, did they promise you that your sheer awesomeness will make you the primary bank of choice to your consumers immediately, and even more, that if you gave them aggregation, you wouldn't force them to make a choice? You'd be the spouse ready to accept an open marriage rather than threaten to take its awesomeness out of the equation if full exclusivity and eternal fidelity isn't restored. They will have to recognize your value and promptly close their HSBC Premier account, or just never get that doggy bone in a Metro for crying out loud!

Product
Please settle down. I can see it, you'll be their everything, got it? Which brings me to product. What are we giving them? Beautiful, funky cards. Mustn't forget those. Savings, of course. That's easy, and that's where all the money's made. Loans, as you'll maybe partner with some alternative lending fintech unicorn. P2P payments (with a twist), as they all need to split bills, and the UK has no Venmo. And of course current accounts, where they will see all this and sort what they're really left with, pay bills and get their salary in. You can wait with mortgages or investment or even SME awesomeness if your target is the main street consumer. Wait, what? No payments? It's OK, we can integrate Apple and Samsung later – maybe you're right. No lending, as it's too much hassle for now? OK, I'll stop you right there because if what you're about to say next is no current accounts either, then Houston we have an even bigger problem and not a fixable one.

{Sigh} Didn't we just agree you want to be their primary everything day one, and that's why you're not getting aggregation? Well, what do we do now, because if you don't give them a way to get paid (and pay), they'll have to get it elsewhere. Surely you understand that? Dear oh dear, let's see what we can still do to save this.

Adoption and Retention
Adoption first – look into the coffers, please. Don't tell me what you see. This is an utterly rhetorical question. Deep? Loads of pounds left after buying that back-end, hiring those ex-bankers and paying for that license? Enough for the reported, disputed and dreaded cost of acquisition? What did you budget for it?

£50? £100? £500? How many people need to move to your new bank to make this work? How many of the other 26 new banking propositions will you have to wait out? Would getting as many customers as the only other challenger be enough? I'm referring to Santander. Dispute it all you like, but they kinda do that now in the UK. Of course, you also have to wonder, would their business model work in isolation with only two million consumers, or is it just because they own the rest of the banking universe elsewhere that they do well? OK, maybe not two million, but surely you must be shooting for a million consumers in three years? No? 500k? OK, 500k – let's see what that is for a conservative 50 quid a pop. Wow, that's still a lot of dough. Are we good? Great. Now all we need to worry about is how to keep them once we get them – retention. A few million short? I'm afraid we're hitting a dead end.

See, this is the deal – it's a simple equation – if you give them the needed technology and a full stack of product, then you don't need to buy them. You've brought them so much value that word will eventually spread and you'll quickly grow organically when the entire customer base finds out how you're the holy grail of banking. But that's not your plan, is it? So you need to afford acquiring these customers to get any adoption to your semi-valuable-but-shiny-features.

OK, let's imagine you'll go out and get a few more tens of millions to either buy more tech or pump up your product offering before you go live, or pour it into aggressive TV campaigns and get some people to try you after we did. Now all you need to worry about is retention; that they stay; that you build that mythical trust; that you keep them delighted, except you don't because this part you have right; this is the quality of the experience and that's going to be there. If you sorted the tech or the product and you managed to get adoption, you'll get your retention. You'll be awesome and make them fall in love and want to stick around. That will be easy and magical.

It's only here that you can count on the social fun; the gamification; the telepathic authentication, the new free-2-spends, the causes, the offers, the notifications, the trading simulations, the savings ladder boards and all the other exciting, hopefully addictive features you dreamt that will grab them by the heart. But to get here, you need to have sorted the steps above.

So, dear Challenger, to survive you can miss one of these three but not all three irrespective how much awesomeness you packed into the experience.

Either strong tech (categorization and automatic account aggregation) or compelling full product stack (current accounts being a sine qua non condition to engagement), or money for adoption (loads and loads of it so you buy these people and then pray to the gods of banking they stay till you fix the other two). Pick your poison.

That's to survive. To thrive and succeed, you need it all: tech, product, adoption and retention, aside from your undoubtedly beguiling experience.

I'm sorry this was upsetting, and please don't think it's too late. You can still change course and get yourself in shape, of course you can. You're not one of those old, stuck mammoth banks. We all need you to succeed. We really are rooting for you and would like you to see you do well for all our sakes.

Signed – A Hopeful Future Customer

A few months later, I had to write another one as I was observing some worrying signs in the market that not only were they ready on the tech but the one thing I had unequivocally credited them with—the clarity of the customer proposition—was missing.

Open Letter to the Challenger Bank—Take 2 [2]

Dear Challenger Bank,

Me again. Clench away.

I know you didn't like this last one I wrote for you. I also know that while you've tried to ignore it because let's face it, you're busy with "FCA meetings", some of those principles of how important the technology is, did hit home and while your product meetings were as cheerful and unaffected, in your heart of hearts you now know that there is no chance of existence long term while ignoring aggregation and weak or no categorisation. Which is a win in my book. Happy to be the bad guy if it makes you better.

Back then I was saying:

> "The quality of the Experience (…) I am not worried about – you can deliver that. It's only here that you can count on the Social fun, the Gamification, the Telepathic Authentification, the new Free-2-Spends, the Causes, the Offers, the Notifications, the Trading Simulations, the Savings Ladderboards and all the other exciting, hopefully addictive features you dreamt that will grab them by the heart. If you sorted the Tech or the Product and you managed to get Adoption, you'll get your Retention, you'll be awesome and make them fall in love and want to stick around, that will be easy and magical."

Except it won't be that easy and magical, will it? A couple of months have passed since I wrote that and you're starting to worry me on the proposition side as well. The above only stands if your bar was to surpass the experience of the incumbents. What is on the offer on the market right now for everyone. But you're not building for everyone, are you? You're building for a particular niche and that's the kicker.

[2] Duena Blomstrom, "Open Letter to the Challenger Bank—Reloaded", *www.linkedin.com*, September 17, 2015, https://www.linkedin.com/pulse/open-letter-challenger-bank-reloaded-duena-blomstrom/.

First off, I understand why you think you need a niche, I do. For one thing the regulator himself pushed you into believing you need one with the incessant discussion on your business plan and KYC. I myself invested in an Experience Challenger Bank that launched the other day and one of the main reasons why I was seduced by the proposition of Loot is that they have a clear niche, in their case, students.

With that said, the more clear you are on who your segment is, and in a way, the smaller it is, the more you have to hit the nail square on the round head. There's no room for error. If you're building for Milenials, Y-ers, for SMEs, for farmers or expectant mothers, you'd best intimately know their every single Money Moment Need and dedicate yourself to understanding how to truly serve it with gusto.

I don't believe you're doing that.

Am I wrong? Before you started on product, on building the front-end experience, when you chose your niche – how much honest-to-goodness research have you done? Did you spare no expense to KYN (sic) or did you pay an agency to run a focus group for you? Is there a side-by-side comparison you've made of all the incumbents and what they Do and Do not give your lucky segment? Are there any behavioural scientists who can attest you so intimately know your future customers that you've been chatting to them about how to proactively change their negatives and improve their positives to make their lives better?

I didn't think so… What about now that your proposition is nearly baked and you're only putting finishing touches?

Are there extensive heated debates well into the night about how a stamp collector in his 40s never ever bids on eBay after 11 pm so if you see activity on the card you should send them a notification to minimize fraud? Have you ever examined the common definition of SMEs and rang the alarm over how the corner shop owner, the gas station franchiser and H&M have very different needs? Have you ever stormed out of a product meeting because the team insists on the "YES/NO" Tinder swipe on a smart watch notification connected to a 1000 loan and you think that level of ease would tip your young professional into too much debt to handle?

So yes, I admit, not only do I doubt you can hit it on the backend technology but now I'm starting to think you're not trying hard enough on the proposition side either. You worry me. What can I say, I'm a worrier, I was about to cry last week about Invisible Banking and you still haven't answered me about that niche premise.

Fancy marketing talk -sometimes "baffling" is a better word-, press releases on the Silicon-Valley-cca-1994 story of the founder, crowdsourcing cool ideas for apps and all the FCA meetings in the universe won't save you if you've told Gemma the nail technician that you're building a bank FOR HER and she gets in there and it turns out to be a shinier version of her Metro Bank account. Although maybe one with larger boxes in the forms.

Incumbents don't have to pick niches. Whatever they say or like to believe, they cater to the lowest common denominator of all segments and the reasons they do so are many. They can rely on branches and extensive call centres to attempt to repair relationships when subpar experiences drive their consumers up the wall. You can't. They can accuse their big corporate machineries for being slow to offer new and truly useful things. You can't. They can rely on many years of irrational loyalty and trust investment from the consumers. You can't.

Here's one for you – you can prove me wrong. Of the 26 Challengers I must be the segment for at least half or more. Give me ONE example of how you'll utterly change one of my Money Moments in ways my Metro or my Santander can't and I'll be happy to publicly eat my grumpy, jaded, old FinTech-er hat. ONE. I dare you. No, I plead with you. Please, prove me wrong, I need a banking experience to blow me away and I'm too old to be a student again.

Signed,
Still (barely) hopeful Future Customer

Where Banking Went Invisible First—Payments

We've already established people don't think of banking. They don't even think of their banks leave alone the act of banking, unless of course, it gets in the way of life. The only time people think of their bank is when it fails them. When it fails to empower or enable a respective Money Moment in their everyday life.

Same goes for payments. People never think of payments, they may think of the act of paying, and they only do that intently if something goes wrong.

Whether it's by cash, card, magic Coins, or hypnosis, people just want to remove the barrier between themselves and the good or service they desire.

What they use to accomplish that is intensely unimportant to anyone but the tens of thousands of us in Financial Technology. What is regrettable is how focused we in the industry are on the "what" instead of the "how." There are synapses being fired every time we use a payment method and while our rationality may only make a brief appearance to (attempt to) keep us out of debt or help us do the bank's job by the mental Free to Spend we perform in our heads every time we pay, our emotions may play a bigger part in how we perceive a Money Moment and that is worth exploring.

Cash Money Moments

Posted on September 8, 2015 by Duena Blomstrom

Brits finally spend more on cards but cash is still everywhere.

For those of us in the industry even thinking about cash is eerie. All we talk about is the rails of contactless and the experience of paying with a but outside of those in the real world, people carry cash, offer and take cash and in the case of taxi *drivers in most cities, even demand it to the point that it causes the appearance of a new economical models.*

While preoccupied on a conference call the other day, I entered a trendy Shoreditch coffee shop in London and read the bolded, red "CASH ONLY" sign as I simultaneously wondered if they are taking Apple Pay and reached into my wallet for my card. It just didn't compute to me that they could have meant it, that cash would be what they require, or even that it's an acceptable means of payment and when it sunk in I was mighty peeved but did I turn around and leave?

No, I didn't. I fished enough coins for a cuppa out of the corners of my bag – the shop is happening, hipster grey overtones on their very tall plush chairs, chargers on tables and plugs in every wall. It was worth the literal coin.

But it did make me think about how much of our attitude to money is tribal and how heavy is brand association in all its forms, accounting for what we are willing to have as a Money Moment.

I think cash in particular is interesting in the way us, in the overly digital world use it.

Exploring who still does and why, would be interesting because I suspect it pours right into the exploration of brand. My suspicion is that the stronger the brand association, the more likely it is we are willing to change our Money Moments for it, that we would have our payments behaviour driven by intense brand association and if I'm correct, that has potentially heavy implications in how banks could encourage behavioural changes maybe even healthy group attitudes around money such as perhaps common saving goals and more.

It is neither outrageous nor conceited to imagine a future in which banks will be both smart enough and brand empowered enough to change customer behaviours for the better. But to get there, we need banks who will build labs to understand, enable and empower Money Moments not count (B)itCoins.

Wearable and Contactless Money Moments

AmazonGo[3]*– is undoubtedly one of the most innovative concepts to have come to payments since the invention of ATMs. One can now go in and out of a store without any of the pain of having to stand in long queues or battle self-service machines that work as well as most airline self-check-in torture kiosks and the payment will simply happen in the same fashion as it happens with Uber. Seamlessly. Invisibly. Pain free. What a wonderful concept!*

[3]Amazon.com, "Introducing Amazon GO", *www.amazon.com*, December 2016, https://www.amazon.com/b?node=16008589011.

*Almost as soon as it was out, the Fun Police choruses could be heard around the digital world. "We're going to spend even more!", "Coupled with instant access to loans will spell financial disaster for consumers!" they lamented. On the other end of the spectrum the Consumer cried "It's like they can't bare us, the consumers being happy! I **want** to pay quick and painless! What kind of masochist wouldn't agree with that? And surely, they must be exaggerating, what difference does it make if I use my card at the end of a long, soul destroying line, or see my total as I exit the store?!?"*

Thankfully, sane voices reminded everyone that it's no different than contactless and that we've had around for quite some time now. And that is working out just fine for us. Or is it?
All reports concerning Contactless – what an unfortunate name since you have to tap the card, effectively making contact!- show it to be an unmitigated success.

According to Barclaycard, 4 in every 10 eligible transactions are contactless[4] *and if we factor in how some outfits have been slow in rolling our their capabilities of accepting the payment we can easily presume most customers who have the technical opportunity to tap to make a payment will do so.*

While adoption is spectacular some argue we should take a closer look at the spending behavior. Some reports suggest that once the spending limit has been raised in Britain to 30£, people have increased their monthly spending by an estimated 20%. This comes chiefly from weekend overspend.

Imagine being at your local pub with a bunch of friends having a good ol' time. Every time another round is ordered, the waiter brings his card reader as well to settle it. A fleeting beep and millisecond later, he nods, smiles and leaves. Seems you have paid by contactless. Magic. Except, the only thing you really know about the amount is that it was under 30 pounds. How much it really was is generally unclear and while largely irrelevant if you're having a great evening, using Chip and Pin would have allowed you that brief moment of financial responsibility while it asked you to approve the amount before entering your pin.

The UK Card Association tells us the average contactless spend is of 8.80£ – so it's clear they are being used for rather large purchases not transport which would amount to smaller transactions. Now evidently in the absence of a limit of 1000£ we ought to be relatively safe from instant financial ruin however if we look at the same stats, half of the contactless cards in the UK are credit cards which makes the actual spend much higher.

[4] Rupert Jones, "Once It Was Touch and Go, Now Contactless Is a New-Wave Revolution", *www.theguardian.com*, September 10, 2016, https://www.theguardian.com/money/2016/sep/10/contactless-cards-wave-pay-oyster-london-use.

While thanks to the –arguably- booming economy the average UK could afford to mindlessly tap and use contactless about 22 times a week before they finished their entire disposable income, according to the Money Advice Service four in ten adults in the UK do not even have 500£ in savings.[5] *That alone is a bleak picture of the future even to the untrained eye.*

Some are wondering if this wonderful technology that enables dreamy ease-of-use ethical from the point of view of financial health. They argue that maybe it's time we stopped debating "cashless" -which is evidently the future – and start debating "mindless" which is already the "now".

Personally, I'm a fierce personal responsibility fan, so I'm far from advocating for not having contactless payments, far from it, in fact, the limit should be raised not only to match that of Australia or Canada (around 55£) but to however much the user chooses, so that it breeds financial consciousness. I am simply pointing out that as we're optimizing the ease of access, frequency of usage will increase and consumers need immediate visibility to gain control.

Credit score agencies have been quick to point out the dangers of overspending when using contactless but they also make it sound as if their technology is the answer to counterbalance it by information which is deceiving. The information a consumer gets from a credit agency is post-factum, the damage or overspend has already been done. Having immediate, contextual and relevant visibility of one's finances is a must that lays with the money provider themselves – the banks.

One could argue they ought to have first put in place the tools to keep us aware and informed of our spending habits before they moved into faster payments an in era of dangerous consumerism and lack of spending restraint.

Instant spending alerts, clear free-to-spend balances, contextual notifications relating to a customer's money and relevant information about spending's effect on overall finances to aid perspective, are all still a figment of #FinTech's imagination for all incumbent banks in the UK and yet customers have a way to spend even more, faster.

Financial health is not the retailer's, the credit score agency's or even the bank's responsibility, it is undoubtedly our own but giving us all the information to achieve it is their duty and technology is not what prevents them from doing so.

It is really important to note that while ease of use in payments opens the debate of financial literacy, Invisible Banking involves a degree of responsibility inbuilt in the executing artificial intelligence element and offers endless educational opportunities so it is indeed, the most ethical of banking futures.

[5] The Money Advice Service, "Press Release: 4 out of 10 Adults Are Not in Control of Their Finances", *www.moneyadviceservice.org.uk*, October 28, 2015, https://www.moneyadviceservice.org.uk/en/corporate/four-out-of-10-adults-are-not-in-control-of-their-finances-new-strategy-launched-to-improve-uks-financial-capability.

How Invisible Should Banking Become?

There have been those that have doubted the customer's appetite for automated actions on our behalf no matter how beneficial. The "Peace of Mind Banking" example above from 2011 is essentially a rudimentary form of AI where an entity acts for the consumer with the intention of making their life easier.

This evidently involves tremendous amounts of trust on the part of the consumer.

With the advent of the AI craze, many commentators discuss the issue in detail and no one does it better than the acclaimed Brett King in his recent book Bank 4.0 so we should not replicate that debate here.

If we are to assume the willingness exists, the trust is in place, and the technical conditions are satisfied, then the question becomes, Where is it heading? How invisible should banking become and how would it all work?

For the consumer, the most logical next step would be that it becomes part of whatever AI driven notification framework informs their lives. Whether this is the notifications container on their phones, watches, or those narrated by Alexa that becomes a channel preference conversation. Which channel will prevail is a bet for device manufacturers to take and a story of usability triumph and in a sense, far less interesting in the same sense that channels today are not as relevant in themselves.

What is really interesting is the fact that this shift where the actions happen in the background and the information is delivered by whatever means the customer interacts most with opens the question of who holds the relationship once again.

This means that banks need to carefully consider business models new and old around their role depending on whether or not it implies having a relationship, or on the contrary sees them become the background engine for Invisible Banking.

WHAT IF …

Year 2020

Jose banks with Santander, HSBC and Bankia with both current accounts and savings accounts traditional products.

Uses Alexa for all chores and that includes banking.

When he set everything up he asked "Can you check my saving accounts monthly and move money to the one with the highest yield?". She confirmed she could and that started a conversation on Jose's needs and risk appetite at the end of which Jose was happy to think of Alexa as a new best friend and financial advisor and to entrust her with doing any action on his behalf pertaining to payments, savings, and a few wealth transactions.

Now, when Jose tells Alexa "Pay my phone bill" – this may well not be a straight forward payment from any of his accounts but it may require transfering from *the current account in HSBC to Santander to cover an upcoming direct debit set up for the phone bill as the account is running low on funds.*

Alexa may realise that pattern happens a lot lately so will move the direct debit to HSBC to avoid transfer fees. It may even notice that the phone bill would be cheaper if telephone providers HSBC offers loyalty deals with are used, so it may go as far as change the subscription too in the process.

Confirming the permission level of action it may ask the customer "Still trust me 100%?" and if so then undertake all that. If not then explain the action or withhold from it altogether.

What is Santander's role in this? Where are they making any money? In the transactions. Is there enough money in the transaction business?

What if Santander held some of the actionable advice by having analysed this client's data and can therefore charge Alexa/Apple/Google/whoever else has the relationship for them? What if Santander would have already aggregated all other account information before devices took over and they could now offer a single feed to any of them?

If Santander will simply exist as a set of invisible practices in the background to the consumer who holds several accounts and only ever banks through Alexa and even instructs her to execute on a preferred financial scenario, then what will Santander's business model be to allow them to monetize on data and intelligence not traditional banking products that require direct connection to the consumer?

Some banks are doing the hard work of asking themselves questions such as the ones above already, but there are very few who do and the reason for that unwillingness is cultural.

CHAPTER 4

Let's Get Real—Anecdotes from FinTech Titans Experiencing Banking Products

Contents

The Anecdotes and the Titans

This chapter compiles some real-life examples of the pain points caused by the rigidity of artificially constructed banking products and the lazily executed experiences that accompany them.

I often confess that I am fortunate enough to have gone from an industry outsider 9 years ago, to being able to name most of the true influencers in FinTech as real-life personal friends. In London, the community is tight and some of our kids get to play together while we debate the future of AI, whereas the rest of the tight-knit circles such as the cheekily named FinTech Mafia group mostly communicate digitally—but they do so on a daily basis and meet a few times a year at industry events or in front of the same clients—so I have asked some of these friends to contribute their anecdotes.

In the Build a Voice workshops, I often dedicate hours to speaking about each and every name on the "Ultimate Guide of Who's Who in FinTech" lists I've read over the years, and while there are maybe 40–50 names on there, there is a nucleus of maybe 10 that I tell my participants are "*the guardians of all that's holy in FinTech knowledge. They've been around from times*

D. Blomstrom, *Emotional Banking*,
https://doi.org/10.1007/978-3-319-75653-0_4

immemorial, some of them blogging and Twittering from as far back as 2000! I personally "found them here" when I started a few years ago and hey, I'm old guard too now. And they are mandatory. To read and get to know. No excuses."

The stories below are from some of these FinTech Titans. These are their stories of real-life pain with a pinch of FinTech perspective.

SME Banking

When I first planned this chapter, I had envisioned including an anecdote for each of the "products" banks offer, possibly something about current accounts, something about business banking, maybe something on savings or a branch experience. When speaking to my FinTech Titans friends, I realized either of them having any experience with a branch anytime in the past few years is majorly unlikely, and if we were after personal experiences of things that happened to them personally, it would have to be something about a Money Moment that is significant to their busy lives.

Seeing how all FinTech commentators and influencers are essentially entrepreneurs with multiple and varied business interests, it's no wonder that the stories they have to tell are of mostly of their interaction with what banks offer on the SME Banking side of things.

Small and Medium Enterprise banking (or Business Banking for some) is one of the most fraught with frustration area of banking with little if any mind being paid to the type of experience they provide.

While the results are dismal, retail banking got significantly more attention in terms of construction of the digital experience than SME banking which seems to be regarded by some banks as the poor, distant cousin of retail banking despite the fact that this "product" is intensely more profitable for the bank. Insidiously, over the past few years it became acceptable to give small and medium business owners an underwhelming and barely functional experience, and perhaps in virtue of having been through the baptism of fire of bad retail banking experiences, they accept it.

Needless to say when those small and medium businesses are in FinTech, their owners will not be too forgiving and these are some of their stories.

"It Has to Fit in the Box on the Front"[1]

by Duena Blomstrom

Business banking. Who hasn't lived or at least heard the stories? Getting a business account in the UK is a nightmare. It takes forever, the hoops you have to jump through are bureaucracy at its worse, and no entrepreneur has ever come out of the battle unscathed. But it is, of course, a necessary evil for any of us starting a business.

[1] Duena Blomstrom, "It Has to Fit in the Box on the Front", *www.duenablomstrom.com*, April 23, 2015, https://duenablomstrom.com/2015/04/23/it-has-to-fit-in-the-box-on-the-front/.

I've had the pleasure of this experience four times in the past 3 years. Once I have been at arm's length as I opened Meniga's office in London but since Meniga is by no means a start-up anymore and is well established in Iceland and Sweden already, an accountancy firm dealt with this for us, so the only reason for higher blood pressure has been how outrageously long it took (tried to remember exact time frame, but it seems I am repressing the trauma effectively and cannot, but it must have been over two months). The frustration was even greater as I had incorporated an Icelandic company I owned with a friend a mere year before that in the UK while still living in Sweden myself by using one of the company formation setup companies and that took 6 days in total to create and 6 hours to open the account. Of these 6 hours, 5 were spent on a train to somewhere in the middle of England where this firm had their HQ, 30 minutes were spent for them to drive me to and fro to the bank from the train station, 25 minutes were spent copying documents and having coffee at said bank, and exactly 5 minutes were spent in the HSBC branch manager's office during which he pleasantly looked at my passport and wished our new venture the greatest of luck after spending 30 seconds intently looking into the eyes of the company formation firm representative and asking him "so they're good people who need an account to trade is that right, John?".

That particular assistance firm was bought by a major chain and they no longer are in the market, but my HSBC business account subsists. So when I needed to open a pair of others (a new venture and my consultancy). I asked them first if my history with them would mean I could get a second business account faster/easier. They did all they could not to laugh but no; being an existent client would mean nothing in a new application for another business. Neither did being a retail account holder with Santander. I take that back, it did offer me an advantage—that of the business manager in my local branch telling me in confidentiality it could take up to two months.

So I caved and entered a Metro. For the first business I was setting up, we filled in the forms and then spent 30–45 minutes with a manager who asked us what seemed like silly questions about our business plan then walked out. Four days later, they called and we were given the account and card. Seemed like magic and should that have repeated with my consultancy account, this post would have been one to maintain that good solid service where I am sold a product when I want it, not made to wait after I had to beg and threaten really does trump bad branch decor and an obsession with dogs but as you guessed already, it was not meant to be.

I waltzed in on a Friday morning with an already filled application form and asked if there was any way I could have it the next day as I am starting my first engagement very soon and I would like to have an account to be paid in. They said they cannot promise it on Saturday or Sunday despite being open, but by Monday I should have it. Fifteen minutes of typing later we hit a roadblock.

Brancher: "Mrs Blomstrom, is there any way you could write more words in this box?"
Me: "Excuse me?"
Brancher: "We just need more information about what you intend to do and what consultancy means"
Me: "So are you saying that as it stands now where it says 'Provides consultancy for FinTech and Digital Banking to banks internationally' - is insufficient?"
Brancher: "Yes indeed, we need more information"
Me: "Fair enough I suppose, can I continue on the back of the paper?"

Brancher looking stricken "The back of the form?!?"

Me: "Yes, so I write more detail. I could perchance draw a small arrow to indicate it continues on the back or say so with words for clarity's sake? I just need more space to fit a longer text."
Brancher: "Let me ask my manager, Ma'am"

Brancher returning 2 minutes later looking dejected "No Mrs Blomstrom, I'm sorry it all has to fit in the front box"

Me: "Fine, please print another page 6 and I'll write smaller and fit more"

And so I did and then left the branch in the knowledge that synonyms are good and long heralded concision and brevity bad and proceeded to wait patiently till Monday when I received nothing and my three calls were met with empty promises then till Tuesday when I had barely sat down at Finextra's Future of Money when I received this:

To Mrs Blomstrom:
I am currently working on opening your business account with Metro Bank but just need to obtain a little bit more information around what you specifically do as a business. I have tried to call you but unfortunately haven't been able to get through.
If you could tell me a bit more information about your day to day activities. My colleague has told me that you advise banks around their digital banking services such as mobile banking. Is this correct?
If you could provide some information on how you do this? Do you just advise the banks or design the products themselves? Who do you work for and how do you generate your work?
Please don't hesitate to call the store on the below number. I look forward to hearing from you.

Many thanks
Will
Metro Customer Service Representative

Now in his defence Will is polite and we've all been faced with forms with a minimum number of characters and let's admit it; Metro is keeping cost down; people are not employed to use critical thinking or look into the eyes of company formation firms to ascertain suitability. Knowing this should have seen me add even more synonyms to my previous attempt, but I'm not in a forgiving mood seeing how we've been talking about "Invisible banking," "seamless delightful experiences," and "emotional contextual experiences" in Canary Wharf so I send this:

Will,
I have tried to call. I can't speak today as l am attending an event called "Future of Money" which considering our context is ironic.
Let's see, l filled this form in and your colleague has stated it contained "too few" words so he handed me another form to write more. No, l could not continue on the back of the form l was told, it has to be contained in the box on the front. So l crammed more words on the topic. Evidently this effort too has been deemed insufficient.
To answer your questions below l just advise not design products. In banking we all "just advise" really. Do l design the products? No. No one does that. Not in the last 50 years. Well not if you don't count alternative lending, P2P and blockchain technologies but I digress. The products are savings, deposits, cards, current accounts for private customers and businesses such as this one in question, etc and noone is much inclined to think of more – all we do is talk about (and if we're lucky design) the experience on top of these products. As an example the product here is a business bank account and the experience is what l, as a customer, have to go through till that product is being sold to me. Incidentally banking is the only industry that makes buying something difficult, even painful.

If l were consulting Metro on this experience l would have said "If the system-form that your business bank managers fill in for this product will ask for a minimum number or words, while consecutively the paper application form only offers a tiny box and no indication on desired level of detail and furthermore, no one in the bank will use their critical thinking and fill it in on behalf of the client (such as Jay in the Bromley branch does, BTW, should promote him) but keep asking them inane questions delaying an unnecessarily slow process further, the customer will become frustrated and disillusioned with the experience your bank provides which is the opposite of your intent. You must change this."

Makes sense?
I advise banks on a consulting basis on how to provide their clients with compelling experiences on top of their existent products. I know about this because l have engaged with and consulted many other banks all over the world over the past few years on the same topics and l will use my personal name in the industry backed by my online presence such as Twitter and my website blog to further my personal brand and market my skills and knowledge and banks will buy these services from me. This I believe to be my -admittedly still unproven- business plan and go-to-market strategy.

Lastly I should outline that parts of the "not enough words" account opening adventure will feature in a new blog post on www.duenablomstrom.com which l encourage you to read if you'd like more detail still and feel free to copy&paste as much or as little of this response or really my website intro to complete this famous form of ours.

I can expect the account opening to be completed today, yes?

—

Best regards,
Duena Blomstrom

If you made it this far in this long story you'll know that it's likely resolved, otherwise I would have had to be mad to jeopardize it by posting this and indeed it is! I am the proud owner of a business account at the time of writing this, after a mere 5 other calls the next day, a Branch Manager apologized for Will and assured me they adore me and my business, and they have sent my feedback about boxes and forms to "the centre" and that the account is one mere step from being opened—a few simple questions about you guessed it…. What it is I do.

Since many of my FinTech Mafia pundits friends have went through painful business banking account setup experiences of their own, I can only hope they'll share those with you in either the comments here or their own posts, and together we can try to make our banker friends remember that business owners are customers too, and they too deserve some semblance of pleasant customer experience while parting with their anxiety-ridden cash!

When HSBC Closes Your Bank Account Without Telling You[2]

by Brett King—Speaker, Start-up Founder of Moven Bank, Bestselling Author, Radio Host, TV Commentator

January 29, 2014

I've been a customer of HSBC since 1999, and while that doesn't account for much these days, I grant you, and I'm also a blogger that regularly gets 250,000 to 1 million views to posts I make in respect to digital banking, bank strategy, and bank customer service issues. So you'd think that HSBC would be maybe a little bit more careful about screwing with me when it comes to my accounts. Apparently not.

On the morning of Black Friday as I took a car home from JFK airport, I attempted to use my HSBC debit card attached to my business account and was told it was declined. This surprised me, but I assumed it was some sort of

[2] Brett King, "When HSBC Closes Your Account Without Telling You", *www.huffingtonpost.com*, November 29, 2013, https://www.huffingtonpost.com/brett-king/when-hsbc-closes-your-ban_b_4362504.html.

a fraud hold, and not actually any real problem with the account. So imagine my surprise when I rang the call center a couple of hours later and was told they couldn't help me because **my account had been closed!** I was shocked; the account had had no issues of fraud; I hadn't once gone into overdraft in the history of the account, and I hadn't been notified of any issues; I certainly hadn't been notified of the account closure, so how could this happen?

My first tweet on the issue was at 3:33 p.m.:

"**@brettking: So here's the drill @HSBCUSA canceled my account without notification and now tells me they can't reinstate it because it is closed**"

I rang the call center number on the back of my HSBC business debit card which got me through to the local US call center. The Customer Service Representative (CSR) let me know the account had been closed and transferred me to "someone who could help me"—apparently this is a euphemism for "someone that will read from a call center script on a screen and not have any way of helping you." So I was transferred and escalated to a call center team in Calcutta, India, to a department called the "Exits Team." This is a team whose job is apparently to deal with irate people like me who have had their account closed.

Throughout the drama, I tweeted @HSBCUSA, @HSBC_Press, @HSBC_UK_Help, and other HSBC-labelled Twitter accounts, but have not got a response as yet.

The first CSR in Kolkata (Calcutta) was named Cecilia (#H44101), and she explained that HSBC had sent me notification in September. In September of 2013, it was reported in *The Wall Street Journal* that HSBC had informed some of their small business clients that after a strategic review and would start to shut down those accounts by November 8th.

So I asked the HSBC rep if they had sent notification to my address on West 31st Street in New York.

"No Sir, we have a different Address on file," said Cecilia.

I asked if it was my Address at Five Penn Plaza that I had changed with the bank 1 year ago, and she said "Yes, sir that is correct."

When I asked why it is that HSBC had sent a notification of pending account closure to an old address, she explained, "That's the address we have on file, sir."

I then went to my filing cabinet and pulled out the copy of the Change of Address Form I had submitted at my 2 Park Avenue South Branch of HSBC in Manhattan and referred to that form. She explained that probably the reason HSBC still had the old address is because I had not submitted sufficient documentation for the change to be successful—so I asked how would I know that the address change had failed because HSBC hadn't called me? She replied, "We would have sent you notification to your registered mail address sir."

At this stage, we had established that:

- My account was closed without a call, text, e-mail, or notification via Internet Banking which I use daily
- HSBC sent notification to my old "registered" address that hadn't been used for 1 year
- I had changed that mail address, but for some reason that change wasn't processed
- I was informed by mail to my old address that my address change hadn't been accepted

I then asked the CSR if they could at least reinstate the account for 30 days to allow me to pay my staff this month and set up a new bank account.

"No sir, there is nothing we can do about your account closure, we've already sent you a check with the balance of your account," said Cecilia.

"Where did you send that check?" I asked.

"To the address we have on file sir," commented Cecilia without any hint of sarcasm or humor.

At this stage, I asked to escalate to a supervisor to see if they can help me. I was told that the supervisor would be of no more assistance and if I needed to I could e-mail the customer service e-mail address with my request for assistance. I made clear that wasn't acceptable and finally after a 10-minute hold was transferred to the **Floor Supervisor** named Lhakpa (#L70615).

I had to explain my situation to Lhakpa from scratch, and she confirmed that notification from the bank regarding my account closure had been sent by mail. When I asked why mail was sent to the wrong address, she simply repeated the mantra.

"We would have sent you notification to your registered mail address sir."

When we, once again, established this was not my office mail address and that HSBC could not reinstate my small business account, I asked Lhakpa what she does when she can't resolve an issue for a customer like me and who we could escalate this too, but she had no answer for me.

My tweet:

"**@brettking: Now @HSBCUSA call center is telling me they do not have an email of someone in Business Banking they can escalate to or inform**"

I took her through the process I was familiar with from my own time working with HSBC's call centers in Dubai and Hong Kong, and I eventually got her to agree that she could escalate internally via e-mail (or the "internal communications system"). So I asked her who she would e-mail with this problem? She said she couldn't tell me. I offered her an e-mail for a HSBC staff member that was a friend of mine that she could send the information too, and she was completely stumped.

I asked her what was the reason the account was closed—had I done something to trip the fraud or risk guidelines?

Meanwhile I live tweeted:

"@brettking: I don't have a big enough bank balance for @HSBCUSA to keep my account opened but also not big enough for them to notify me of closure"

Lhakpa read from a prepared script (I know this because I asked her if she was reading it, and she said yes, she had to, and she wasn't allowed to put it in her own words), and she explained that due to a *"strategic review, HSBC had determined that there were many small business accounts closed due to not being international or multi-national in scope, with too small a balance or not enough transactions"*.

I asked her whether this justified closing an account without notifying the account holder, and she said "but we sent you the mail sir." At this point, I asked to speak to her supervisor:

Her supervisor wasn't available, but she assured me he would attempt to call me back within 2–3 business days. I said that clearly wasn't acceptable and asked how we could escalate the request for the supervisor to return my call, or didn't she think this was important enough to escalate?

In the end, the supervisor called me back about two hours later (that was very high priority I was assured). The Senior Floor Supervisor was named Nihlanjo, still based in Kolkata. Nihlanjo offered the following solution:

1. Go into a branch and change your address (again),
2. We'll then be able to send you notification of your closed account,
3. We'll be able to cancel the check we've already sent you, and
4. Once that is confirmed, we'll send you another check with your funds.

I asked how I was supposed to visit a bank branch at 6 p.m. on #Black Friday or whether he could tell me of a branch that was open and Nihlanjo didn't have any answers.

I then explained that I was a blogger and commentator on the banking industry and was taking notes to record our conversation and the progress we were making, and he said he was now going to hang up.

My tweet:

"@brettking: Latest in @HSBCUSA drama on unnotified account closure. Supervisor in call center hangs up on me when I said I was taking notes on the call"

While clearly this was a failure in process and a breakdown in communication, the fact is that my account should never have been closed without notification, and when this error was raised, there should have been a process to at least reinstate the account in the short term—but there was none.

What was perhaps more surprising was throughout this process I was tweeting to @HSBCUSA, @HSBC_Press, @HSBC_UK_Help, and any other HSBC Twitter account I could think of, but as of the time this report is going to press, I've not had the courtesy of a response.

This is not a story simply on a customer service failure, or a communications failure, but the story of an organization who has not yet realized it is the twenty-first century. When a critical communication on an account closure is left to snail mail, and that mail is never received, the assumption that the bank has done all it can reasonably do to inform the customer is just slack. When presented with multiple opportunities on social media and via the call center to offer assistance, but not having the ability to fix the problem except in a branch (which is closed), then those channels have simply cost the bank money, and not offered any help at all.

What is worse is that throughout this entire process no one actually apologized for closing my account, and potentially disrupting my business or the lives of my staff. It was always assumed that they had the right to close my account, and the fact that I hadn't received their mail was my problem.

Hopefully after this blog, they might reconsider that. God help other small business customers who don't have access to The Huffington Post to voice their grievances.

Update: *On Monday, the 2nd of December, I received a call at 6 pm from the Regional Director of Business Banking who said they had reviewed my case and decided to reinstate my account—the reasons given were that I was also a Premier Customer of the Retail Bank and had other Business Banking holdings internationally.*

In respect to other small business customers? HSBC promised me a change in communications strategy and said new emails had already gone out to many customers from the Head of Business Banking, and they would endeavor to help those customers transition. They also said that the @HSBCUSA account was not an 'official' HSBC account, but they recognized that they needed to be more responsive to social media interactions and would be reviewing their strategy on that front.

5 Ways Banks Fail When Serving Small Businesses[3]

by Jim Marous, Co-Publisher of The Financial Brand, Top Influencer, and Owner/Publisher of the Digital Banking Report

Not all small businesses are created equal. An established business usually has traditional needs. On the other hand, a fast growth start-up business has unique needs that most banks fail to address.

[3] Jim Marous, "5 Ways Banks Fail When Serving Start-up Businesses", *www.theFinancialBrand.com*, October 10, 2017, https://thefinancialbrand.com/68074/small-business-banking-satisfaction-trends/.

The J.D. Power U.S. Small Business Satisfaction Study found that 22% of the fast-growing small businesses have switched banks in the past 12 months, compared with only 5% of slower growth firms. In addition, 25% of owners of fast-growing small businesses indicated they intended to switch financial institutions within the next year, while only 7% of other small businesses indicated the same.

The study found that the fastest growing small businesses are very sensitive to problems—when they experience a problem, the likelihood to switch more than doubles … up to 57%. The difficulty of receiving a loan also puts the small business relationship at risk for the fastest growth companies.

So why are faster growth start-ups less satisfied and more likely to switch? Let me share some personal examples that may clarify some of the challenges. Here are 8 ways my bank falls short of expectations.

1. **Fractured Small Business Account Opening**

Unlike an established business, most owners of start-ups have zero experience in building a new banking relationship. There is limited clarity of the forms needed to open a new account and no way to open a new account through digital channels.

The first challenge I faced was trying to find a bank where I could open an account. The first two banks I visited had only one person who knew how to open small business accounts … and both were out to lunch when I visited. It may have made sense to have a person available when a small business owner is most likely to want to open a new account.

When I finally found a bank that had a small business banker available, I knew that I needed my tax ID number, articles of incorporation, and other basic documentation, but there were additional forms I was not aware I needed. Most of these were available for immediate online download, but my bank could not download them for me to sign since the banker wasn't allowed to access sites outside the bank. I needed to go back home, download the form, sign it, and return the paper form to the branch.

2. **Lack of Experienced Advisors**

The capabilities of the small business bankers I have met are not much different than 20 years ago. They totally understand the small business product line, are very service oriented, and understand transaction-based banking. The problem is that very few (if any) understand the unique needs of today's small businesses. They usually don't understand start-ups as a category or high-tech firms specifically.

Owning a subscription-based e-commerce business, I needed a way to process a large number of moderate-sized payments from global sources. I also needed a way to send money rather quickly on request. Without established credit for the new business, I had to contract with an outside firm for processing payments and had to find my own way to avoid the $75 wire transfer fee for funds disbursed.

More frustrating was when I tried to refinance my personal mortgage. *After* going through a massive paper-based process, my mortgage lender told me that they could not approve the refinance without at least 3 years of verified income from the small business. They also said that they "didn't understand" a subscription-based business and would require a co-signer. This is despite having more than 35 years of mortgage payments without interruption.

3. **Delayed Access to Account Insight**

At the core of an e-commerce subscription-based business is the ability to provide immediate confirmation of payment to the new subscriber and allowing the customer to access their account. This is easy when a customer pays by PayPal or credit card, since there is a link between the name and payment made. Unfortunately, the same is not always true for wire transfers.

When I receive a wire transfer at my bank, I receive notification that I have had a wire transfer deposit, but there is no indication of where the wire transfer came from. Instead, I need to wait another day for a payer's name to be associated with the wire transfer.

4. **Inefficient Funds Transfer Process**

Transferring funds between accounts is as easy for a small business as it is for a personal account. The challenges are when transfers between financial institutions are desired. The process is not seamless to establish and may involve fund clearance delays.

In my situation, I found that the easiest, fastest, and least expensive way to transfer funds between two banks was to write a check from my business account bank and do a mobile deposit into my personal bank account. To say the least, after 5 years of not writing a check, I now write two checks a month so I can send a mobile deposit to my other bank.

5. **Zero Flexibility**

The most frustrating aspect of working with a bank as a start-up business is how banks fall back to the "it's our policy" response at the worst possible times. This response was used when I tried to establish a moderately priced credit card processing account, but didn't have a small business credit rating.

The most recent example was when my business debit card was hacked right before I was scheduled to leave town for 10 days. My bank informed me that a new card would arrive in 3–5 days (after I would have left for vacation).

When I asked whether they could send via Federal Express or Certified Mail, my bank said it was "against policy," despite the fact that I have received cards the next day from other banks in the same scenario.

Making matters worse, when I informed my bank that I could not run a business without access to my funds via a debit card for 10 days, they offered me the option of visiting a branch for immediate card production. While this sounded like the perfect alternative, when I visited the branch, they said that creating an instant issue card for a small business was "against policy."

Being Positioned for a New Economy

The diversity of small businesses is far greater than in the past. Well beyond the simple categories of manufacturing, retail, and service, today's scope of start-ups didn't exist a decade ago. To positively impact small business customers' perceptions of their banking experiences, financial institutions need to be armed with the specialized insights that will help them meet and exceed the ever-changing expectations of their customers. Understanding the shifts in customer perceptions, very specific micro-business trends, and the factors with the greatest impact on satisfaction is critical to a bank's ability to grow their small business portfolio.

The first step would be to digitize the account opening and daily account management functions. It would also help to have micro-industry specialists beyond traditional categories. Finally, start-ups need a place to turn for small business advisory services (beyond lending). This includes cash flow management, tax regulations, basic accounting, and business creation support.

Message to banks and credit unions—Don't get lulled into a false sense of security when small business satisfaction ratings are released that show high levels of satisfaction. While established small businesses may love the service they receive, there is a growing dissatisfied segment of start-up small business owners.

Internet Banking for Dummies[4]

by Chris Skinner—Best Selling Author, Top FinTech Influencer, Keynote speaker, and founder of The Financial Services Club

The one-time password (OTP) terminals to verify it is really me are rife in the UK. In fact, some UK banks insist that we use these darned things every time we use internet banking. As a result, by way of background, I now have five

[4] Chris Skinner, "Internet Banking for Dummies", *www.thefinanser.com*, November 2009, https://thefinanser.com/2008/11/internet-bankin.html/.

of these terminals: one for my own account, one for the business account, one for the joint account, and two for my credit and debit cards.

The business account proves to be the most interesting. This is because the bank sent me a card explicitly to use with the terminal, rather than my existing cards. The card arrived some weeks before they sent the terminal, and it just said “Internet Banking from ABC Bank,” so I threw it away thinking it was just an advert for online banking. As it turned out, it is the card to use explicitly with my business account OTP terminal, which was still to arrive … not an advert for Internet Banking from ABC Bank at all.

When the terminal did arrive, I still did not think about it much. After all, how often would I need to use it? Then I realized this little sucker has a lot of power, as the bank has made the terminal the main and only way to create and authorize new payments instructions online.

Every time I want to make a payment, it demands that I use the terminal’s OTP generator and, because I threw that silly advertising card away, I cannot make payments!

So I’ll try and keep the story as short as possible, but here’s what happened when I rang my business account relationship manager to sort it out.

First of all, he joined me in a good moan about the OTP terminals, after all we are British. After a whinge, he said he’d send me a Business Mastercard. That should do the job.

I was a little concerned as this card has a fee of £32 per year, which would be of little interest to me as I do not use or need a Mastercard on the Business Account. He promised that he would waive the fees. Sure enough, the card arrived and a fee of £32 was taken from my account. So I called my relationship manager, who apologized and got the fee reimbursed as promised.

I now have a Mastercard I do not need that has been issued purely so that I can process internet banking transactions.

The next time I get to set up a new payments mandate, the system wants my OTP generated so I enter my new Business Mastercard in the terminal … and it says “wrong card.” I try it in all five of my OTP terminals, but none of them like it.

I then check the number on the card with the number on the internet banking service, and they don’t match. Aha, the card has not been set up with the account.

It’s after six o’clock, so I wait till the following morning and call my relationship manager. He’s on answer phone and says, “If you need help, please call my Support Team,” so I ring his Support Team.

“Good morning”, says Johnny in the Support Team. “How can I help?” I explain that I cannot set up a payments mandate—in this case a standing order, where the customer creates a regular payment schedule—because the card I have does not work with the OTP terminal. “Well”, he says, “I’m sure our Business Card Services can sort this out for you. Here’s their number.”

So I ring the Business Card Services number, and explain that I'm trying to use the internet banking service for the creation of a standing order mandate, but the card cannot be read by the OTP terminal.

"Oh sorry sir", says the nice Customer Service Representative (CSR), "but that's internet banking, not card services. Here's their number and you need to talk with them."

Growling starts to rumble from my stomach … oh no, it's my throat. But it's ok, I'm calm. I ring the internet banking number and it's the wrong number. Oh well, back to square one. I ring my relationship manager's Support Team again.

"Hi again, I've just telephoned Business Card Services who tell me it's the Internet Bank's issue. But she gave me the wrong number", I say.

"No problem sir," says helpful Johnny in the Support Team, "I can give you their number".

"Actually", I interrupt, "I don't need to do this. I only want to set up a standing order mandate so why don't you do that for me instead?"

"Ah", says Johnny, "there's a problem with that Mr. Skinner. I can cancel standing orders and direct debits, but I can't set them up."

"Pardon?" I ask.

"Well, I used to be able to set up standing orders sir, but the Head Office didn't like that so now only they can do this service", Johnny explains.

"What?" I start feeling a little John Cleese-ish.

"Sorry", says Johnny.

"So the Support Team cannot support anyone, is that what you're really saying?"

"Not really sir", pleads Johnny, "because I can help you with this question."

"OK. What do you suggest?"

"Well", says Johnny sounding remarkably confident, "why don't you just pop down to the branch and sign the standing order mandate down there, then they can process it for you. I know that works. Good old paper process and all that."

My throat, stomach and body growls, rumbles and shakes into an explosion of frustration.

"Johnny", I fume, "the branch is half an hour's drive from my house. I'm not wasting two hours on a round trip just to set up a standing order mandate that should have taken me two minutes online. Now find someone who can sort this out."

"Yessir!" says the erstwhile Johnny, who puts me through to the inner sanctum of the bank.

This department does not even have a name, just the letter "Q". It sounds very James Bond, but I think "Q" is the department for customers with Questions that the front-line staff and Support Teams cannot answer.

"Yes Mr. Skinner", says a charming lady's voice, "I believe you need to set up a standing order mandate. Let me do that for you."

And there you have it.

An hour of my morning wasted in frustration due to these new silly terminals.

Mind you, thanks to Judi Dench in Department Q, I discovered the root of the problem was throwing away the online banking card I received originally as, unlike personal banking, the business accounts only work with these cards. They do not work with debit cards, credit cards or any other business cards. Just their pure and exclusive business banking online cards. So I didn't need the new Business Mastercard after all.

Oh, how the internet has made life so much easier and oh, how some banks just don't get it.

Current Accounts and Bank Channels

Banks Don't Understand Families

by Ron Shevlin, author of Smarter Bank, and purveyor of sine snark on Snarketing and The FinTech Snark Tank

I shouldn't admit this, but I have way too many accounts—and way too much money—with my primary bank. I mean, a fintech influencer like me should have his money in a million different places, optimizing my returns, minimizing my costs, and linking those accounts with the coolest new technologies, right? Wrong.

You see, the problem is that while I may be the "fintech influencer" in the family, it's my wife who manages the family finances. And, for better or worse, she couldn't care less about all the cool new technologies.

Let me explain what "manages the family finances" means: She makes the decisions, and I execute them. I have our bank's mobile banking app on my iPad and iPhone—she doesn't. So when we need to move money between accounts, or make some special payment, or transfer money to one of our daughters, that's my job.

Our bank, however, can't understand this behavior. Nor can it understand the financial relationship between the members of our family. One recent incident underscores this problem.

My middle daughter recently graduated from college. During the four years she was in school, she had a checking account with my primary bank. The account was linked with my wife's and my accounts, so we could easily transfer money between accounts.

My daughter, being a Millennial, naturally uses her smartphone for everything, including banking. After she came home after graduation, she mentioned to my wife and me that through the bank's mobile app she can access PDFs of her bank statement.

No surprise, there, right?

Except that the statements weren't just statements of *her* account. They were statements showing all the accounts (mine and my wife's) that her account was linked to.

Let me make sure you understand this: My daughter, through our bank's mobile app, could see the details of all of my accounts.

Now, maybe you come from one of those hippie-dippie, let's be totally open and free, families that shares every last detail about everything with each other. I do not.

My wife freaked and immediately calls the bank (because I convinced her that I could not resolve this problem through the mobile app) and explains the situation to a call center representative. Well, "tries" to explain it. The representative could not understand what the problem was and told my wife that that was the way the mobile app was designed—to provide access to all accounts that any one account was linked to.

This, of course, was a mind-blowingly stupid answer.

So my wife did what any person old enough to have a Millennial-age child would do: Went to the local bank branch.

There's a lot of talk in the industry about how bank branches are going to become places consumers can go to get advice about managing their finances. That makes me laugh. The people who say that have never met the people who work in my bank's branches.

They're very nice people—they're just not very knowledgeable about helping a family like mine manage our finances.

The benefit of going to the branch with a problem like the one we had, however, is that while the branch manager might not know how to alleviate the problem—or even understand it—he has to take accountability for researching it, and getting back to us with an answer. He can't just "hang up the phone" like the call center representatives can.

After a few days "researching" the problem, the branch manager called my wife to say that the problem would be fixed with the next release of the mobile app. "When will that be?" asked my wife. "End of the month," according to the branch manager.

The end of the month rolled around, and on the first or second day of the subsequent month, my wife texted my daughter and asked if she still had access to the statements. "Yep."

It wasn't until three or four months later until the mobile app was changed to prevent a linked account from having access to the statements of the other accounts in the chain.

All of this stems from the artificial construct known as an "account." The inability to understand the concept of "mine," "hers," "our," and "their"—and some poor app testing—leads to some unanticipated consequences in dealing with a bank.

Goodbye, Santander. The End of a Banking Love Affair[5]

by Duena Blomstrom

My love affair with Santander began many years ago when I started meeting some of their amazing people at the start of my journey of selling them Meniga's PFM. Over time, many of those people became friends because it's hard to resist bankers with such astoundingly large hearts. Don't get me wrong, most banks have a contingent of great minds and fiery hearts but in Santander, the passion seemed to run through the veins of every department from the digital crusaders to the procurement people so I quickly became a personal fan too and switched my impossible-to-use-due-to-extreme-passwording (annus domini: 2014 so no touch ID). Lloyds account to a Santander one.

Many of the people I worked with over the last few years have seen me use a folder I was forced to create on my phone to contain all the various Santander apps in one place (affectionately called "FFS Santander!") as an example of what not to do as a bank, but that was not me the consumer moaning but the front-end strategist disagreeing with the scattered growth. Aside from that though, as a consumer, I had only one major complaint—that of having to call them to let them know I'm out of the country and will be using their card so once a week I'd be on the phone—some times for ages—to do so typically on my way to the airport or they would promptly block me out of funds because yanno, flagging that I'm the epitome of the frequent flyer seemed to be too much to handle for their systems.

That was the only problem I really had, and if we accept Santander is simply not interested in air crew and the likes, it wasn't an issue major enough to make me consider switching, chiefly because, as any other consumer, I didn't think I could get better elsewhere. (Turns out that's wrong, at least 3 UK banks let you tell them you'll be away on the go.)

So all in all Santander and I had settled into the lull of a semi-dysfunctional but comfortable long-term relationship where the shine of young love thrills had been replaced by torn corners of my debit card and I had thought we'd be together till the day that I'll choose my challenger bank and then amicably part ways.

But then this happened.

On my way to Budapest to work with UniCredit a couple of weeks ago, I go through my normal round of Santander calls to ensure they don't cut me off. This once I'm short for time, so don't even do my "you guys really need to sort this" litany but hurriedly hung up as I'm passing through security and holding up the queue. I pick up my belongings and as I run to the

[5] Duena Blomstrom, "Goodbye Santander. The End of a Banking Love Affair", *www.duenablomstrom.com*, October 19, 2016, https://duenablomstrom.com/2016/10/19/goodbye-santander-the-end-of-a-banking-love-affair/.

aircraft I log into my Metro Bank business account application (which gleefully responds within milliseconds causing me to fleetingly give cheating on Santander a thought) and send my Santander debit account a few thousand pounds for various things. Having seen the confirmation of the transfer, I turn off my phone and settle into my Priority Boarding many comforts.

Once at the hotel in Budapest I decide to carry on with my on-the-move home accounting endeavor thinking it can easily be done while I reapply make-up and get ready for dinner. In particular as this should only be a couple of transfers including a hefty one to the husband-come-PA as he's in charge of paying most of the bills, taking cash out for the Monzo-reluctant nanny (another story for another time), etc.

Half absent-mindedly, I log into Smartbank, click on Transfer, write down the amount, and make to scroll down through my list of Payees to find Husband's Lloyds. Nothing to scroll down through. Huh? I put down the lipstick, sit down, and give it full attention. Have they changed the interface and it now needs side scrolling? Have they made the payees' names white-on-white? All possible scenarios, sadly. Nope. The payees' field stares at me empty and surprised I quiz it. Instead of the 6–7 names there all the time I now have nothing at all.

Feeling my blood pressure raising, I decide it's likely easier to get online on my laptop and set him up as a payee again, than try and deal with what has happened and while I shoot him a Whatsapp asking him for a picture of his Lloyds card (because c'mon, security schecurity, I have bankers waiting with dinner!). I pop open the lid of my laptop and brace myself for the ordeal that is going to the online bank in Santander while hoping things have miraculously changed since I was there last 6 months ago.

Nope, still there. The three incomprehensible blood-of-grandmother-type password steps complete with gratuitous picture they made me choose for "personalisation" reasons and an online-only password so painful to remember I have written in my London office on an eternal post-it. In hindsight, had I asked someone to take a picture of said post-it and send it to me I would have been in, and Bob may have been my banking uncle but instead I risk it and you guessed it, lock myself out of the online bank on the skippy. Time for the last resort.

"Hi, I need to keep this brief as I'm calling you from Hungary and I'm in a hurry. You guys "vanished" my payees from the mobile app for no good reas…"

"Oh hello my name is Charlie, I'll need to walk you through some security first"

"Awesome. Let me save you some time – name is, date of birth is, address is and tell me what number letters you need"

"2nd, 5th and 6th"

"7, 4, 1"

"Excellent! How can we help you today Mrs Blomstrom?"

"As I said, I got into my mobile app and have no payees so I can't…"

"Oh I'm sorry to hear that. That's strange, I will have to move you to the team dealing with the mobile app"

"No, wait! I don't need that, they can't magically reinstate them for me! I need to register at least another one tonight. Can I do it with you on the phone, please?"

"Oh no I'm afraid we can not do that but you can do it in the onl…"

"….online bank. I know. I tried. I didn't get your impossible online password right so I locked myself out."

"Oh ok, that's not ideal. What I can do is send you another temporary password for the online bank"

"Excellent! Email or SMS?"

"Oh no, I'm afraid we can't do that m'am, this will be in the regular mail"

"WHAT?!? Leave alone how ridiculous it is to send a password for online in the mail that won't do me any good as I need to transfer money tonight!"

"Yes well, let me explain, once the password is sent in the mail we can reset it for you from here so I am trying to get you in tonight"

"O….k…. that's just dumb but sure, go ahead and send it."

"Ok M'am, please give me your address"

"It's probably XYZ in the system but I moved to ABC"

"What?!? You moved and never went to the branch to sort the new address?"

"Yes well I'm sorry, it's been a busy few weeks – let's just change it now"

"I'm sorry that will not work, you have to go into a branch to do a change of address."

"Ok well nevermind, forget I said that, send the password to the address you have"

"I can't do that M'am since you just admitted you do not reside there"

"Ok but you said it doesn't matter and we can change the password through a reset link!!!"

"Yes but not if I can not send the password by mail and I can not"

"Are you friggin' kidding me?! It's now been 3 hours of me trying to make ONE payment"

"I'm sorry M'am"

"Ok listen, what can we actually do? If you can't set up the payee, can you at least make this one time transfer?"

"Over the phone? No, I'm afraid it has to be on the mobile app or inside the on…"

"You MUST BE JOKING!!!! What am I supposed to do?"

"I'm afraid you will have to go to a branch M'am"

"I'm not even in the country! Are you saying you will keep my money prisoner till I get back because your entire system is crap?!?"

"No, I am just…"

"This is not acceptable! I need a solution! Either you make a transfer or I am done with you guys!"

"M'am – shall I patch you through to our complaints department?"

"Yes! Wait! No!"

"Hello? We understand you are not happy with the online banking service?"

"What? NO! That's not it. Nevermind, done with you people I want to close my account!"

"May I ask why?"

"No. I am seriously done, send me my CDs back done, you can have your leather jacket done. It's over. Finito. Kaput."

"Well ok… I'm just asking if I can I help…"

"You can not, your backend sucks so bad that you managed to lose entries in the database, develop online as yet another separate endeavour with no connection to the same security system and build a login process so painful it makes grown men cry, and topped it all of with extreme phone channel impotence. I am serious, I want to close my account with Santander and switch to a real bank."

"Well if you're sure M'am. You can close your account at any of our branches, would you like me to provide you with a list of the closest ones to you?"

So there you have it. My Disney fairytale ending of switching to the most valiant challenger or even, if they did not prove themselves before Santander caught up, staying with my bank till AI, PSD2, and Blockchain did us part, will never be.

And I did go to a branch. I went to several. A Santander one to change my address as otherwise I couldn't Switch and then a NatWest one (don't judge!) for a strangely enjoyable long, cathartic chat with my local banker over a cuppa, about how others did me wrong and what a lovely future we'll have together.

Goodbye Santander, we can't stay friends, it wasn't me, it was you.

PART II

Emotional Banking

CHAPTER 5

What Is Emotional Banking

Contents

Do Banks Care About Consumer's Feelings

"Emotional Banking" is the name of the Cultural Change Method comprised of a series of lever programs that will allow banks to use FinTech and build real brands, thus winning at the relationship game.

The name evidently stems from the concept I've conceived in 2012 when I became intensely aware of the fact that banks are—whether by accident or by arrogance—oblivious toward what their consumers' emotions are.

"Do banks investigate how their customers react to their products?"
"No"
"Do banks spend any time and effort understanding their customers' innermost needs when it comes to their money?"
"Nope"
"Do banks know what causes happiness or anxiety, what is Good Money or Bad Money?"
"They don't and are doing nothing to find out"
"Do banks care about their customers' feelings?"
"Not one bit"

D. Blomstrom, *Emotional Banking*,
https://doi.org/10.1007/978-3-319-75653-0_5

For the past few years, I have been in the process of transforming the all-too-broad concept of Emotional Banking into several effective methods that can affect real change in a bank's culture and enable it to become a brand and in the process, start caring about consumers' feelings about their Money Moments.

The first year saw me in the room with the same tens of banks I had worked with while building products and strategies while with Meniga—as well as some other new ones—and the concept was met with fierce head nods and intense approval. Not long after though, it dawned on me, that the high-level inspirational workshop where we all become entranced with the noble idea of putting empathy Design at the center of everything we do for the consumer, left both me and the bankers in the room initially elated, and soon after highly deflated when faced with the dread of business as usual.

My frustration wasn't misplaced and my ideas were not wrong, I had simply come to a crossroad where I had to make a choice: Did I want to be a crier or a doer?

There were many ways in which I could simply carry on as a consultant capitalizing on my indignation of the consumer's mistreatment, and Lord knows many in the industry are already doing just that. Get on an influencer list, keep crying wolf, pointing fingers, and deploring the status quo. Trouble is I've never been a good victim and I've always found it immensely more satisfying to get stuff done.

"What is the 'stuff' though?" I wondered. Am I going to be able to rethink the financial services industry to let go of the forced, artificial definition of banking products? What about doing away with silly silos between current accounts, savings, investments, pensions, and insurance products? Can I make bankers clear slates and go back to a first-principles drawing board where they can employ empathic Design and create truly meaningful Money Moments for their consumers making the relationship relevant once again? Can I save them from themselves and get them to be intrinsically honest about their internal mess and external propositions that are fundamentally broken? Can I make an industry that has treated CX with contempt despite the lip service, make it their cornerstone?

Can I, ultimately, get them to seriously investigate and intensely care about people's feelings and reactions to money, so they reinvent themselves into brands that offer delightful, addictive experiences to their consumers so that they even stay in the relationship game?

I decided I can try. And since I was serious about the trying, I realized I'll have to take smaller bites. I may need partners. I may have to breathe in and learn patience. Realize this is a marathon not a sprint. Not expect wooden language to vanish overnight. Not expect banks to invest in people instead of technology as of tomorrow. Think of the smaller picture, think of the cultural levers that could see meaningful change happen.

Irrational Loyalty

When I started trying to understand the fabric of the banking culture more intimately, one of the first things that jumped at me was how little impetus they had to become a brand and how connected that was to the low churn rates in the industry.

In banking, the potential churn is not an active concern, one of the main reasons why banking does nothing to change its level of ambition to becoming a brand is the extreme lack of mobility. Switching is all but non-existent in the industry as evidenced by my favorite statistic showing how the average British marriage lasts 11 years while the average holding period for the same current account is 17.

Apple is often cited when people mention irrational loyalty seeing how they consistently rank the highest of all brands when it comes to customer retention. It is often being likened to a cult. Nonetheless, if we are to be honest and analyze its source, there's nothing irrational about being loyal to Apple, a company that has built an intensely emotionally connected brand that includes products that reliably reinforce that brand.

Banks are not brands. They never score anywhere when consumers are asked to rank which companies they have a connection with that is so strong they remain loyal to it and never leave.

People are evidently fiercely loyal to their bank. Do they love it and trust it beyond belief to rationally justify said loyalty? No. They complain and moan about how badly they are treated and how pathetic their experience with the services they provide is and yet they stay. **That** is irrational.

Open any Internet debate that mentions any brand rivalry such as Coke vs Pepsi, Google vs Samsung, sports teams against each other, or even the polarizing discourse on Vegemite and you'll soon witness tensions rising.

It's easy to see how emotionally charged the connections are, how strong the beliefs, how decisive the opinions, and how invested the participants can you imagine them talking about a bank that way?

Loyalty is rational if it matches how invested we are in a brand. Simply put: The more we like it, the more likely it is loyal to it and stays put.

Brands work hard to become part of the fabric of who we are – banks couldn't be further from that yet we don't leave.

While banks consistently rank lower than most other brands in customer satisfaction, we still don't leave and switching never made a significant impact. It's the equivalent of recognizing you're in a broken marriage and yet choosing to stay. In fact, it's worse than that, as in Britain people will more readily get a divorce than get another bank account as per my favorite stat.

Whether they realize it or not, banks are obnoxiously arrogant about our unwillingness to leave them. Consider this: If you call a mobile telephony company, you will invariably have an option to "Press 3 if you are thinking of leaving us"!—how many times have you heard it when you phoned your bank? What more clear sign of being taken for granted than not being fast-tracked if you are *that* upset?

Most brands care deeply about keeping us, banks do not – yet we stay put.

A brand, according to Seth Godin's excellent definition[1] is a collection of experiences, expectations, stories, and relationships. When banks conveniently confine the task of being a brand to marketing, they accomplish none of the above.

Advertisement is just one layer in branding and there are many other elements over time to reinforce or assassinate those efforts (consistency of perception is reinforced by everything from employees to digital interactions) which is why if banks stop at investing in advertising without really understanding brand, they will fail to retain their loyalty capital.

Nonetheless, advertising along with PR is the clearly intended branding effort for financial institutions, and many times, its sum total where some believe that using the right corporate colors (sometimes at frightening UX costs) is all one needs to do to uphold brand.

To create a brand, it's essential to create a positive emotional connection. To create a connection, the interaction must feel intensely personal at one point and old-school advertising has trouble achieving that because of its sheer mass. Social media on the other hand has a more intimate feel, and good brands have immediately sensed its potential and capitalized on it—look at how Red Bull or Coca-Cola uses images networks to inspire the activities that would create the context for their consumers to remember their allegiance and consume them, whereas in banking, the big news is that we finally hired enough community managers that @BankHelp may answer our tweet or direct message on the same day!

Some brands wow us with ads and interactions that go straight to our hearts – banks still give us vapid shiny happy people and yet we stay.

Truly valuable brand experiences are addictive and sticky—who we wear, what we listen to, what we watch—there's never any sense of self-identity and pride in who we bank with.

How did these banks that we pertain we hate secure our loyalty then? What is at the root of this irrational loyalty?

[1] Seth Godin, "Define: Brand", *www.sethgodi.typepad.com*, December 13, 2009, http://sethgodin.typepad.com/seths_blog/2009/12/define-brand.html.

Fig. 5.1 Brand and feelings

Irrational Bank Loyalty: Banks and the Accidental Brand[2]

Posted on August 12, 2015, by Duena Blomstrom

Accidental Branding

The opposite of intentionally building a brand- is what I call "accidental branding" and this would be the total experiences and emotions that a bank has created, and responses it has elicited in its customers without meaning to, over time. Some of it is intrinsically positive but most is not. Stands to reason that the former should be amplified and the latter minimised as soon as we dissect which one is which (Fig. 5.1).

This is where things become truly interesting and banks really should make it a serious to do to explore this in painstaking detail. A really serious to do. Not one of the "P.S. tasks" at the end of long strategy execution and implementation plans after all regulatory, compliance and security to dos and at the end of the unattainable "fluffy" digital and cultural change goals but top of the list: "To find out why our customers won't leave and how to make them love us". Below are a few examples of this but this is by no means exhaustive, it should simply be seen as a teaser list to start us off.

A lot of the banks' brand capital has to do with "**tradition**". The definition of the term in this context is worth exploring as it includes key terms such as "respect", "identity", "safety", "nostalgia", "heritage", "reputation" and the all-star-term of banking: "trust". Tradition is of course not intentional branding but it can become so – brands are studying tradition and the smart ones are capitalising on its huge potency to bridge with new generations.

[2] Duena Blomstrom, "Irrational Loyalty, Banks and the Accidental Brand", *www.duena-blomstrom.com*, August 10, 2015, https://duenablomstrom.com/2015/08/10/irrational-bank-loyalty-part-1/.

Some of the banks' brand capital has to do with "**fear**". Sheer loathing of going through the process of change. It cannot be underestimated despite the great lengths switching campaigns have been through to both make the process simple and to communicate its simplicity effectively to the public.

Realistically, to overcome the fear of change when it comes to something as life critical as one's bank account, most people need to invest upfront, a disproportionate amount of **ad-hoc trust** in the competing offering being exponentially better and that's a huge ask. I can only hope that Challenger Banks have taken this issue to heart and have done all the homework they can on this.

"**Paralysis**" is for better or worse part of the brand capital a bank still has today by nature of the service. In banking services are bundled and securely tie consumers to one provider. It's a beautifully captive consumerism model high street brands can never ensure.

While I can sometimes cheat on my intense relationship with Ted Baker by buying the odd Louboutin on eBay or even by nipping into Next or Primark on a whim, I can't as readily decide to save my money for the day with someone other than NatWest. This is changing, if you look at payments as a behavioural issue and you see people electing to use PayPal, Venmo or even Apple Pay over their bank's app or card, the fact that the rails are the same is irrelevant as the brand loyalty coins fall in the jar of these brands not that of their banks.

"**Golden service hacks**" – it's sad that this is accidental but it's one of the few positives along with "tradition" so it's worth mentioning. Whether by wanting to be innovative or by wanting to show change some banks have sometimes hit on improvements so grand that they've have been transformative to people's lives and have boosted their brand capital.

At times it's been as small as Bank Simple's famous "Free-to-spend" feature allowing people to see what's left that they can spend when they do a balance enquiry, or as complex as offering consumers the ability to see all of their bank relationships in one place as Bank of America pioneered in the US. In other industries, offering a disproportionate amount of value or extreme ease of use is intentional and designed as brand addictive (the other night Alton Towers sold me a "no questions asked, in case it rains or you no longer fancy it" cancellation policy on a vacation for seven quid, I'm in love!).

On a great comments thread about this someone mentioned "**entanglement**" as a part of the branding. This can mean so many things – everything from an unhealthy Stockholm syndrome where we hate our bank captors but we won't leave once the doors unlock to a positive mishmash of attitudes and feelings that are interwoven in our life fabric, and add to the positive brand capital pot. Bankers: if you're too busy with whatever else is on the list of "serious stuff" – at least mandate someone else to explore this, it will only pay off.

When we look at examples of banks that are starting to take positive steps to build their brand we see that they are built from near-scratch – in the grand scheme of things even ING Direct is a challenger let alone mBank and Che-Banca. Smart, bold visionaries decided to start with the emotional connection in mind. With the excellence in engagement as the first brick. At building a lasting brand. Their Net Promoter Scores and other measurements no less those of their ever-growing coffers demonstrate this was the correct strategy. No contest.

What of the giants though? What of the old school incumbents, of the oldest banks ever, what can they do to correct course? There are many voices to ask for them to spawn brands, to build new propositions instead of trying to change their culture to become a brand. And they have done so all over Europe (see Hello and Consors banks and BNP, Comdirect and Commerzbank, etc.) and aside from the sad story of Egg there's a successful example in the UK: FirstDirect.

Yes it is head and shoulders above others in terms of customer satisfaction and people love it but at the risk of ruffling all feathers let's call a spade a spade – they have "Best Customer Satisfaction in the UK"… for a bank not for a brand. Our expectations in banking as a consumer have been lowered by every other provider to the point that decent treatment will render us ecstatic.

More importantly, if you look at its model intimately and if you examine its total number of customers acquired in what is now tens of years since they started, the results are far from stellar.

FirstDirect is a good example of why becoming a brand needs to be a transformative whole-bank process starting as a mindset at the top – HSBC has elected to do "Exceptional customer service as an experiment" not engage all its consumers but almost isolate those who needed to identify, belong and appreciate them in this corner of a Design-led universe where services are the same as the mothership but the way they deal with problems exceeds expectations.

"All banks are the same" – Perceived Lack of Choice

"All men are the same" is the well known adage of battered women who choose to stay in a bad relationship – why attempt change if you don't believe in better and don't feel that there's an alternative?

In the UK the rhetorics often goes like this "Go where?!? There's no choice, just different names and they offer the same thing! First Direct is still HSBC, TSB is Lloyds and the Challengers are not exactly out there yet!" -but realistically there are notable differences between these, maybe not in current accounts but in savings, investments, etc.

Then there's nimble Metro, there's the incumbent of challengers, Santander, and there are the many other services you would need to only download the app of to nearly construct your own bank between Nutmeg, OnTrees, TransferWise, LendingClub and others although I recognise doing so requires a level of FinTech Geekery blissfully unbeknown to the general population.

"So what's the answer?"

While I'm working on a series of methods for banking culture transformation, there are many great minds who struggle with how to understand branding intimately, I would just like to see a serious dialogue started in banks on "How to become a Real Brand? And Fast!".

Maybe the answer is to read more, explore more, copy more, dream more and feel more. Whatever it takes.

Good Money/Bad Money

One episode in the days surrounding the birth of the Emotional Banking concept sticks out in my memory.

On an all-night flight from London to Sydney circa 2013 where we are meant to deliver a speech on what's best practice when designing a money proposition that people can fall in love with, Einar Gustafsson then Meniga's VP of product and myself found ourselves going from a sheer slides-building exercise to one of those magical blue-sky moments of co-creation that leave one marked and elated.

At the time, we were—eternally tired trailblazers building one of the most amazing FinTech success stories with a technology piece that's cornerstone to the entire digital strategy which was Meniga's PFM—fresh off having helped build mBank and influenced the path of many other banks.

We could have simply listed what the last few years have been like and the stats of successful PFM implementations, but we were about to speak at NextMoney (then NextBank) a very different event that has been called the TEDx of FinTech—Design and concept-driven and determined to make a dent with cutting-edge content and some of the world's best speakers and influencers. So we took it as a challenge.

Our position was unique: As B2B and B2C, we were not only a start-up making a mark in the industry but the proposition we were building was reaching customers directly on Meniga's website in Iceland. As a result, the feedback loop was strong and direct and informed our Product Design at every corner, enabling us to imagine and execute some of the industry's most daring propositions that consistently won awards.

We went back to the very basics in that 11 hours flight—Why do we do this? Who do we do it for? What is our duty of care in Financial Literacy? What are we trying to Design for? In our position as a Money Moment provider (no different than that of a bank in essence), what are we meant to encourage and discourage? And the question that most resonated with us was: How do people feel about their money—what's Good Money and what's Bad Money?

When we started to think under those terms and categorize all the interactions our customers had with the bank depending on the emotion they elicited, we realized we simultaneously knew a lot and didn't know enough.

Over the years, we had consistently supplied the banks we worked for with the insights we found in our direct to consumers efforts. Nine times out of 10, these "a-ha!" moments were absolute news to these banks. As opposed to us, they spent no time wondering if asking for a loan was an anxiety-riddled experience and if there was any way to make it less daunting by the way we offer information and design the experience. They didn't know that the most positive experience one can have in as far as Money Moments goes is projective. They didn't think that people would need more or less control depending on the stages of life they are in and their perceived financial security.

When we arrived on the other side of the world, we had a speech that touched on why emotions matter in designing a banking experience and we had a few examples of "Bad Money vs. Good Money" and over the years since, I've always asked participants in my Everyone's a Designer workshops to categorize every experience under those terms:

Bad Money Moments

Bills payment—an anxiety-ridden moment for most layers of the society.

Loans—while Financial Literacy is not nearly as well established in educational systems around the world as it should be, mostly everyone is aware that debt is bad so asking for a loan is a disturbing experience that's difficult for most people.

Failed Digital Interactions—for digital banking, adopters having technology fail their user journey is a moment of frustration and definitive negative brand equity in particular if said failure forces them to resort to having to visit a branch which is an action they were trying to avoid.

Bad Customer Service moments—whether in person in branch or on the digital channels.

Unavailability of information—whether complete or partial, not being able to access one's data whether it's a statement of accounts, a balance inquiry, a particular transaction, or even the totality of one's financial position from multiple accounts is a source of deep frustration for consumers.

Delays in service fulfillment—i.e., transfers that take longer than expected ("instant" is the new norm we are all going toward).

Fraud—any moment when customers fear for the safety of their funds and of their information is evidently immensely negative.

Fees—in particular those that are perceived as ad hoc and unfair such as hikes in loan prices, overdraft fees, and various service fees all come with extreme customer dissatisfaction.

Good Money Moments

Purchases—if they are elective, significant (such as a boat or a house), and if we can afford them (by contrast, purchases on credit usually carry a degree of guilt that makes them into a Bad Money Moment).

Savings—in effect projections of future purchases we know we will be able to afford. The reason why propositions based on "Savings goals" are so widely successful is because savings are intensely emotionally charged and mean so much in terms of a complex sense of self-worth and safety. Saving for major purchases can be painful to achieve (hence the popularity of the invisible savings app that squirrel away minute amounts without the user knowing) but is intensely satisfying when achieved. Even saving for a morbid motivation such as a funeral will essentially register as positive experience for the user since it will relieve perceived possible future pain.

Mortgages—nowhere is the emotional connection to a certain life moment more clear to the point that rational decision-making in terms of numbers is clouded by the enthusiasm of self-actualization then when purchasing a house.

Offers—if they are well integrated, relevant, and contextual where the consumer trusts they will be a real benefit to them, it can see consumers deeply grateful to receive them and thinking of their bank as a trusted advisor who helps them save money.

The list goes on.

The beauty of thinking under these terms is that Good and Bad Money Moments transcend products and force the designer to explore human feelings and how those can translate in experiences where the positive is accentuated and the negative minimized which is what real brands do when they design addictive experiences.

Surprise and Delight

The cornerstone method in maximizing positive emotions in an experience is "surprise and delight."

The concept of "surprise and delight" has emerged in marketing and CX a few years ago. The idea is that a company should be able to engineer moments of "wow" where a customer feels instantly pleased and that in turn creates tremendous brand value and lasting loyalty. The advantages are plain to see.

Spontaneous surprise and delight moments—as the ones mentioned below—are the result of a certain type of company culture that sees agile, motivated, empowered, and empathic employees seize an opportunity and exploit it to create a bond with the consumer.

Creating a strategy around wanting to surprise and delight is a different topic altogether, and it requires, in addition to the right company culture mentioned above, a commitment to creating a brand based on emotion and understanding how that positive emotion can be built with the right context in place.

Examples range from the hilarious Amazon customer service exchange that went viral to the Zappos "above and beyond."

In the Amazon example (a screenshot of which can be seen if one searches for Amazon on Imgur[3]), what could have been a dry exchange offered itself to an instance to prove its customer service philosophy of hiring intelligent, funny individuals when the customer reacted to the fact that the rep's name was Thor by asking to be Odin and they both carried on in character while discussing a missing book shipment.

Amazon: Warmest greetings […] my name is Thor.
Customer: Greetings, Thor. Can I be Odin?
Amazon: Odin, Father, How art thy doing on this here fine day?
Customer: Thor, my son. Agony raises upon my life.
Amazon: This is outrageous! Who dares defy The All Father Odin! What has occurred to cause this agony?
Customer: I'm afraid the book I ordered to defeat our enemies has been misplaced. How can we keep Valhalla intact without our sacred book?
Amazon: This is blasphemy!

This went on for quite a while with neither of them breaking character while resolving the issue. There can be no doubt how the customer felt in this exchange. How delighted he was. How emotionally invested in the moment.

Zappos is used as the main example of redefined customer centricity because their main mission statement is the will to "Deliver happiness" having understood that "Zappos is a customer service company that just happens to sell shoes."

Consider this example of heroic customer service—in 2009, a traveler checked into the Mandalay Bay Hotel and Casino in Las Vegas, Nevada. When the traveler unpacked, she realized that she'd forgotten a pair of her favorite shoes. She had purchased the missing shoes at Zappos, so she headed to its Web site but could not find another pair of the same shoes on the site, she called the company's help-desk concierge service. Zappos no longer had the shoes, but its headquarters are just outside of Las Vegas. So the Zappos team located the shoes at a nearby mall, went there and purchased the shoes, and then hand-delivered them to the Mandalay Bay, all at no charge.

Just imagine how this customer felt.

Still, when it comes to making a customer feel special, I think no other example shows it as well as Peter Shankman's experience with Mortons.[4]

[3] Farid Staender, "Good Guy Amazon", *www.imgur.com*, April 18, 2016, https://imgur.com/gallery/rYY6A.

[4] Peter Shankman, "The Greatest Customer Service Story Ever Told, Staring Morton's Stakehouse", *www.shankman.com*, August 18, 2011, https://www.shankman.com/the-greatest-customer-service-story-ever-told-starring-mortons-steakhouse/.

It started with a throwaway tweet he sent before a flight at the end of a challenging day to one of his favorite brands—Mortons—a successful stakehouse restaurant in the US.

"@PeterShankman: Hey @Mortons - can you meet me at the Newark airport with a porterhouse when I land in two hours? K, thanks. :)"

Nothing but a good humored piece of banter designed to keep his followers entertained.

Three hours later, Peter lands in New Jersey and is greeted by this the most shocking of sights: waiting in arrivals clutching a giant Mortons brown bag with unmistakable contents—Alex. A Morton's employee in a Tuxedo there to deliver the stake their favorite customer asked for.

The tweet that made this story famous and has been seen and liked by tens of thousands of people:

"@PeterShankman: Oh. My. God. I don't believe it. @mortons showed up at EWR WITH A PORTERHOUSE! #OMFG"

The picture that accompanies the tweet where Peter poses next to Alex and the stake clearly shows his shock and surprise and as Peter puts it himself in his blog afterward, it's not easy to surprise "a New York kid."

Was this regular customer service on the part of Mortons'? Of course not, this was a genius PR stunt but the reality is that it was thought of and executed on a tight schedule, and it achieved amazing returns in terms of brand capital.

These are big PR moments based on "surprise and delight" (with the exception of the Amazon example if we accept it has not been staged and it has only been leaked by the customer not Amazon) but of course, the challenge is to offer moments like this to each and every customer at some point in the relationship and irrespective what one brand sells, as Zappos well understood, the main point of interaction where the company can go off the rigid script and do all they can to make the customer happy is when they require customer service.

Consider the differences between retail and banking.

In most instances of retail sales whether it is consumer goods or luxury purchases, the customer is in a physical or digital situation where there is intent (or at least interest) to purchase a certain item. It's transactional and transient. The purchase is not meant to or expected to initiate a relationship but acquire something, most times a tangible good at the end of it.

By contrast, when a customer interacts with their Money Moment provider, they expect it to be a much more esoteric exchange with nothing but a number to result out of it and another logical leap is needed to visualize the tangible purchase it will enable. This creates even more space for a different type of possible advice-based dialogue should banks use it.

If seen as an occasional marketing gimmick in lieu of an integral part of a powerful philosophy to drive the brand's ability to create powerful emotional connections, "surprise and delight" is a missed opportunity.

This is something Fjord (an Accenture company) has identified well and created what they call a "Love Index" to measure digital engagement.[5] which focuses on five primary marketing attributes (fun, relevant, engaging, social, and helpful) that systematically explain why people love specific experiences.

Surprise and Delight is only one part of how banks should create positive emotional experiences for their consumers but it's an example of the importance of finding ways to maximize the good and minimize the bad as sole focus of creating addictive brands.

Emotional Banking is there to change banking culture in a way that will see them deeply invested in becoming a brand that will be able to understand the feelings of its consumers and then enchant them.

[5] Nandini Nayak and Kelsa Trom, "Introducing the Love Index: A Fresh Approach to Driving Digital Affinity", *www.fjordnet.com*, December 2, 2015, https://www.fjordnet.com/conversations/introducing-the-love-index-a-fresh-approach-to-driving-digital-affinity/.

CHAPTER 6

EX—Perspective on Modern Digital Banking

Contents

EX vs UX and CX

How should banks encourage consumers to embrace Good Money habits and get them out of bad ones? How do they make consumers' lives richer and more emotionally connected to their banks? How can they delight them, answer their emotional money needs and, most importantly, how can banks become invisible empowerers of Money Moments™?

Some would claim that this is the job of user experience (UX) and customer experience (CX) teams in banks around the world. Unfortunately, UX as a discipline seems to have had trouble staying true to its "make it better for people" values over the past few years.

In some cases, the efforts of these teams have gotten marginalized as the poor creative, slightly kooky cousin of more reputable departments that keep the cogs running. In other instances, the UX conversation seems to have veered off dangerously, sometimes exclusively, into conversations on how to optimize for the umpteenth device, in a way that allows the user to see the full menu.

Emotional experience (EX) should be replacing mere UX. While the emotional connection should have logically superseded UX, this is not so in banking. In fact, this book argues that understanding and responding to the consumer's emotions should precede the building and delivering of products, the development of customer service units, and even the building of our core systems.

D. Blomstrom, *Emotional Banking*,
https://doi.org/10.1007/978-3-319-75653-0_6

What the banking industry needs to do, more than anything, is to rebuild their culture in a way that will allow the UX and CX teams to return to the roots of making sure they stop thinking features and once again think about consumers' emotional relationship with their money.

EX is of course cornerstone to being a brand. Without designing and optimizing for it, there is no reason to expect to achieve true engagement. Most other industries understand this and make CX central to their every move.

When I started working on researching the Emotional Banking methods, I was utterly surprised to see the huge gap between Banking's attitude to EX and that of Retail, Travel, Automotive, etc. This is an example of that surprise I wrote after being invited as a speaker at my first CX event.

Hey Bank, Wanna Be an Airport?[1]

Posted on October 19, 2015 by Duena Blomstrom

Last week I was reminded how fortunate we are in banking. No, not fortunate, lucky. No, not lucky, immensely damn spoiled!

I spoke at an event called CX Ireland and while listening to everyone else before my turn came, I felt tempted to repeat the same sense of awe and shock in every 140 characters as I realised I couldn't live tweet points of data I was gathering from the speakers because it had absolutely no relevance to us in banking. None.

"@DuenaBlomstrom: #CX15 #ThingsBanksDontWorryAbout 17% of customers never again spend with a brand they had ONE bad experience with"

The professionals on stage knew and cared about the amount of clients that will be lost with every bad interaction point. How many of them would never recommend at the end of a month of merely average service. How designing the right experience could double the number of new clients. How it's imperative to test leadership's commitment to CX. The magic of connecting NPS as a score to make CX the business of the entire organisation. How to delight customers or perish. All of this is so disconnected from our industry I felt I could be live tweeting from a Dr Who conference so after a few stunned facts and some shocking numbers I stopped.

When the head of the Dublin Airports Insights took the stage she started by saying "we all have terabytes of data in real time but true insight that's rare, we only get that once every few years" – how utterly inspiring they even made the distinction or really that they even have the job title and appetite considering they should have an even higher degree of inertia seeing how they are the de facto monopoly. Yet they care about being a beloved brand so deeply they test and tweak their airport experience around their different types of travellers experience until

[1] Duena Blomstrom, "Hey Bank Wanna Be an Airport?", *www.duenablomstrom.com*, October 19, 2015, https://duenablomstrom.com/2015/10/19/hey-bank-wanna-be-an-airport/.

they obsessively click on that smiley green face button of the satisfaction meter they dared place everywhere.

One the many things she spoke about with intense passion was the experiment they run of strapping a heart monitor to airport travellers and asking them to go about their normal run. Unsurprisingly their heart rate neared heart attack levels when they passed security and helped them arrive at the concept of "customer happy hour" as it settled and elation replaced the terrified moment and travellers started spending like there's no tomorrow once they found themselves airside.

A brand does this kind of thinking. A brand cares. A brand is curious and a perfectionist. A brand therefore wins.

There's a lot of similarity between banking and airports. The de facto near-monopoly. The experience being both high frequency commoditized and connected to intensively important life events. There is a lot that's different too. We in banking are not all that invested in the customer being nudged to buy more with us. We don't have to be scary to our consumers, we're not protecting world peace and security by any of our processes. Maybe the most important difference is that we don't care like they do. After all why should we? None of the other numbers mean anything to us, who in banking is afraid of the youtuber Zoella giving them a bad review that will result in lost customers?

Here's what we are going to do banks. We'll change all this. We'll buy some of those silly customer satisfaction stands with the happy faces and place them in every branch. We'll strap heart monitors to people faced with inputting both memorable words and password and pins before they can see their account balance online. We'll start designing and obsessively re-tweaking those happy hour experiences.

We will, right?

Right?!? If not then maybe FinTech can come up with an airport API so we can threaten Dublin airport's business because they are sure smart enough to see there is now technology and ample room in customer dissatisfaction to threaten ours.

Examples of State-of-the-Art

At the time this was written—late 2017—there are but a few standouts in terms of real life, EX-led engaging digital experience offered by banks to consumers. The vast majority of banks offer the same few standard features in their mobile apps and a very similar experience on their online banking.

There are tens, if not hundreds, of yearly awards aimed to find the Digital Belle of the Banking Ball organized by analysts and commentators in the industry, and entries are based on various conventions on categories and distinctions—Retail banking versus Wealth, Universal banks versus Local, Digital only banks versus those with local branches, etc. Leaving aside the business motivation behind creating these awards, it's interesting to think of the level of objectivity anyone in the industry can have to judge these given how new FinTech is, how fast technology is moving, and how customer expectations move even faster.

I would postulate that despite the best of intentions, not one of these lists of recognition is safe from heavy bias and I'm the first to admit that same bias informs my choices below.

We are all, effectively, only praising incremental changes when we list any of the existent banking propositions because realistically, if you are to put side by side the app HSBC first put out in mobile and what they offer today, the differences are dismal. Worst yet, if you put side by side a newly heralded digital experience in a neo-banking proposition of an incumbent and that of their mother bank (Commerzbank and mBank; HSBC and FirstDirect; DBS and Digibank, etc.) the differences are nothing for Forrester to write home about.

Most of the cases I'll mention here happened around the same time frame—launches to the customer in 2012–2013 with build times having commenced around 2010 or 2011 and they are still state of the art.

I've been fortunate enough to have been part of the Product Design process for many of these and have met most of the intrapreneurs behind these propositions that I often refer to as "Banking Superheroes." They are still heroes in the industry and will see them mentioned elsewhere in the book, but most have moved on and are disrupting and creating elsewhere.

What is significant to me is the experiences that have shaped the way we view digital CX either because they have brought a standard that hadn't before been tried by other banks, or because they imagined functionality that intensely satisfies a simple Money Moment need.

mBANK

The most comprehensive example of early change is mBank.

Owned by Germany's Commerzbank but based in Poland, mBank launched a revolutionary new online banking platform in mid-2013.

While the experience seemed to incorporate all the buzz-words du jour from advanced and fully integrated money management features to quick search, gamification, real-time customer relationship management (CRM), merchant-funded rewards, Facebook integration, and video banking, none of these were brought to the platform for the sake of having modern features but in a well thought-out, deeply researched, and painstakingly constructed way.

To create what became a groundbreaking digital platform that every analyst worth their salt quickly covered in extensive reports and heralded as the new standard in customer-centricity, mBank had had a team of intensely smart and courageous people build it from scratch.

Having been in some of those rooms where they brainstormed, debated, and created, I know first hand how much the customer was present in every decision. Often times, the team would make really hard decisions that meant more money or more time was needed—neither resources the sponsors were happy to freely sink into a digital pipedream forever—simply because they were building a platform that they regarded as future proof, where they prided themselves on not having even yet imagined the slew of features they will eventually be able to pack in once the back-end is solid.

They were the first bank to truly understand personal financial management (**PFM**) is much more than a pie chart in a widget a bank can incorporate on their browser or mobile experience and call themselves innovative, but instead it is what they called "the back-end of our front-end" where its powerful categorization and aggregation engine make sense of data before it is presented to the customer.

They were also the first to realize the extreme value of tightening the feedback loop where real-time information and analytics can materialize in contextual advice and offers designed to make the consumer's life better.

In building the experience, undoubtedly culturally difficult as it must have been, hero intrapreneurs like Michal Panowicz and his team had compromised on neither the front-end app and browser experience, nor on the back-end heavy pieces to underpin it, but some of the most successful features were surprisingly smaller while extremely effective in gaining the customer's love.

Not the first to have thought about it with Danske Bank before them having trailed it in their stunningly designed and award-winning mobile app, but the first to have thought of its value, mBank offered **Pre-Login Balance Check**—meaning you didn't have to log into the mobile app to find out the total of your available funds but simply click on the icon on your phone's screen and have it there already.

Advancements in biometrics make the value of this feature impossible to comprehend when all we need to do to see our balance today is hold our finger a bit longer on the home screen or draw a pattern or even, in some apps, look at the phone for a behind-the-scenes selfie that uses facial recognition to allow access, but in 2013, logging into your mobile bank was painful and unpleasant and oftentimes required beyond a pin or username and password multiple devices or complicated security screening questions.

It was a pain users tended to avoid to the point that they would rather use an ATM to inquire what the available balance was or even make a call to the call center.

The banks that were brave enough to roll out pre-login balance did so because they had the courage to challenge the perception of a balance being the type of information that requires security features or that is regulated in how it is displayed in any way. There are no security risks in simply displaying the amount, the value to unburdening the call center is enormous and the advantage to the consumer is clear so it makes perfect sense to implement such a feature.

Another wildly successful feature mBank has launched later on the same digital platform was **the 30 seconds loan**. Consumers were able to apply for a loan, from their mobile device and in half a minute get an approval and see the money in their account.

This is the type of feature that would be met with endless objections in internal debates in banks. Starting at the obvious usual objections such as "it's impossible because of KYC and AML" and "our systems can't react in real time" to the much more insidious one around the applicability "No one needs a loan that fast," this of course, as most other postulations about the consumer, came with no research and no knowledge of that being the case or not, simply an opinion, a hunch thrown into justify the lack of willingness to try something new.

Of course mBank doesn't have "Business Prevention Departments" (as J. P. Nicols calls the parts of the bank seemingly eternally tasked with rejecting innovation) and they do have real-time data, and a completely new view challenging KYC and AML misconceptions (the loans are pre-approved across the board for mobile users), so they don't think in terms of negative hunches but positive possibilities and that's when it's obvious that a consumer that enters a store and finds something extraordinary they really want to purchase must be able to apply and access the funds on the spot or the opportunity is lost.

Maybe the most interesting phenomenon coming out of the extraordinary journey mBank had was that aside from the slew of successful, well-executed, intentional features, there was at least one that I know they hadn't built purposely as it was already contained in Meniga's PFM that they used as the underpinning for their entire experience and this feature became an amazing success—**Search**.

Deceptively simple and obvious, the ability to search for a transaction was nothing short than shockingly delightful to the consumers as they had never previously been able to find any of the information they needed in either their online or mobile bank when they went looking for a specific Money Moment.

Most banks today still don't offer that. In this day and age, when we can search any kind of electronic data in any fashion we like at the press of a button, it seems unfathomable why banks won't implement search in their offering.

The reality is that this is not an oversight but an impossibility for most banks as there is no way to perform an intelligible search in uncategorized data and these banks simply do not have the transaction categorization engine on the back-end that would see a meaningless string of letters and numbers translated into "Bank transfer to Grandma" or "Haircut."

CBA

Across the world in Australia, one of my perceived bank heroes is Commonwealth Bank of Australia (CBA). In 2008–2010, they underwent an unprecedentedly courageous core banking transformation the delivery of which was led by their own Banking Superhero their CIO—Michael Harte who later was poached by Barclays and moved to the UK.

Core banking transformation projects are few and far between in our industry for evident reasons. There is no other technology project in banking to be more costly, more fraught with complex risk or more scrutinized.

This is because it is the most expensive piece of tech a bank can buy. One they have an intense need for if they are running a legacy system unable to support any of the data delivery and analysis so desperately needed for the consumer relationship, but that need is often resolutely ignored by boards unwilling to jeopardize their position by being at the center of a possible failure scandal.

Seeing how (at that time) these projects often ended up costing tens, hundreds, and even thousands of millions and can take years to complete, it is little wonder why there are a handful of examples.

It's worthwhile to note that over the past few years core banking vendors have become far more nimble and agile and even welcomed competition from some FinTech providers which means these projects are a lot less costly and less lengthy these days.

Back then though, having anyone stand up and say "we can not deliver on our customer centricity promise when our core is rotten, mired with legacy patches upon antiquated systems, we need to rip that out and replace it with a modern core capable of solid delivery in real time" was immensely courageous.

That is of course, not a verbatim quote from Michael Harte, I'm positive he must have been a lot less populist in formulation to secure backing for such an enterprise—an intrapreneur as seasoned as him is blessed with the gift of diplomacy in addition to courage—but what caught my eye was an interview he did to announce that with this transformation they are able to redesign the front-end and they are determined to build a digital experience with PFM at its heart.

I reached out to Michael on LinkedIn when I read that, like I had reached out to Michal Panowicz upon reading about his intentions to build mBank but unsurprisingly, replacing the core banking system must have ranked as slightly more pressing of a task than answering a random FinTech provider's representative InMail, so I remained a great fan of his courage and watched what they built from afar but it wasn't till he moved to the UK that I even had the pleasure of meeting him.

Their back-end renovation journey was not entirely different from others, delayed, heavily criticized, and engulfed into controversy but eventually successfully completed, when CBA did finally start launching the new proposition that resulted from it, a slew of intelligent features and engaging propositions came out due to this effort.

Through their ComBank app launched in 2013, CBA were the first in their market to release a series of innovations from intelligent visualization to their apps for wearables but the two most interesting features to me are

Cardless Cash, and later in 2015, the addition of a de facto Store loyalty cards wallet in the app.

Cardless Cash is a feature (akin to that of NatWest and other banks in the UK) where one is able to extract money from an ATM in the absence of the physical card by using security methods involving either their e-mail or their phone. The person logs into their online or mobile banking app, presses on a button to request a certain amount of cash within the permitted limits—which are typically quite low as this is aimed at resolving urgent situations not as a day-to-day banking method—and then a PIN or a code is generated to be entered in the ATM so that it dispenses the cash.

If it doesn't sound to exciting it's because it's the type of feature that you don't know you need until you desperately need it in a pinch—which is why it caught my eye as it's not only an example of true customer-first mentality (the bank gains nothing from implementing this functionality) that undoubtedly generates great karma and adds to their brand.

Being able to prove your value as a service provider when the consumer is in a limit situation is unbelievably powerful and generates immense positive emotional value so it is truly puzzling why this isn't a feature readily available across the board in banks' mobile apps today.

Less selfless of functionality but equally important to the consumer is CBA's decision to allow customers to **store their loyalty cards** from various shops and organizations in their mobile banking app. There is a section of the app where a consumer can scan their loyalty card from any offering institution or alternatively manually enter all its data and thus only needs their mobile banking app when availing themselves of points and offers at the point of sale instead of having to carry and use the respective store card.

Is this immensely more handy for consumers who are loyalty-points-conscious, in particular in a country such as Australia where, unlike in the UK there is a culture of doing so? By all means. Does it add to the emotional connection with CBA to be perceived as helpful and mindful of one's budget and possibility to save or earn and lead a better financial life by smarter purchases? Absolutely.

But maybe more importantly for the long-term sustainability of the bank, it is an extremely intelligent proposition that offers the bank immense data value in purchasing behavior as well as a way to keep competition away from having access to their consumers as some of these stores also offer banking services and their physical card is a sales channel for this.

Barclays Pingit

Few mobile apps are as famous—or infamous depending on who you ask—than Barclays release of the long awaited **peer-to-peer (P2P) payments** mobile app Pingit in early 2012. Not only was it the first of its kind in the market and it was leveraging on the new Faster Payments Scheme allowing effectively instantaneous transfers between customers and non-customers, but it was heralded as the first—and for an embarrassingly long time "only"—example of in-house, agile development of a very good application.

Pictures of the Barclays teams' walls covered with a sea of post-its while they designed Pingit became iconic and soon were doing the rounds at every industry conference to show that banks too can develop cool, useful stuff just like any other FinTech can.

From a DevOps perspective, Pingit is the Concorde of Banking—the first to show that adopting agile techniques yields tangible results—their development time was famously slashed to 7 months from 2 years when they did—and yet hardly a huge adoption success story that was initially backed by intense PR and was later all but dropped by the bank, with the most exciting thing that has happened to it since launch being an international transfer partnership with—you guessed it!—CBA's Commbank which coincidentally came after Michael's Harte's move to the UK.

Payment apps are likely the most common of mobile apps propositions for evident reasons and much is said about the role of exciting new developments such as the speed and convenience of **Contactless** and **Apple or Android Pay** but little is discussed about the act of payment and how it can be mired in anxiety and quickly cause great discomfort and frustration when it doesn't go perfectly according to plan.

In early 2017, I've had the fortune of being highly involved in refining a proposition of a company that went on to win Finovate with it. The company is an Icelandic FinTech provider called Memento offering at the time a **P2P payment app** later evolving into a virtual payments hub and while I had attended tens of other Finovate events and participated as a contestant while with Meniga in 5 of them—of which they proudly won 3—this was the first time I had the chance to lead the design with the psychology of the customer at the very heart of the effort.

While creating the new functionality, we spent a lot of time analyzing the intricacies of the human-to-human payment act and found it to be vastly different to other types of payments where customers perceive they are paying institutions such as paying bills or making a purchase. Transfers to peers have great emotional value to the consumers; they are a means of dialogue and natural part of day-to-day interactions which explains the huge popularity of embedding them in Instant Messaging as we can see with Venmo or Snapchat Cash.

One other thing that came out of the Product Design exercise with Memento is realizing that when you stop thinking of a mobile experience as contained in the application, and start considering how it seeps into other apps and, more importantly, how it relates and makes use of the **Notifications** framework, you get a lot closer to highly compelling interactions that naturally flow into the consumer's life you become their primary provider of Money Moments and that's building a brand irrespective of whether your own company's logo is visible or not.

Simple

One of the best known examples of FinTech is of course Simple bank in the US. Famous to the layman and infamous to industry insiders to the point that they immediately point out other apps are better these days such as Moven or Ally, Simple is the first example of an experience layer that became a bank and had a successful exit by having sold their business to BBVA in 2014.

When Simple was founded, it was the absolute darling of the FinTech world.

Why wouldn't it have been? It was promising a new beginning in banking starting at utterly clean, pleasing design, combining that with end to end ease of use and clarity as the name suggests and rounding it all up with a more than attractive mission statement "People deserve better."

Many went on to dispute Simple's overall success by looking at their adoption rate which in the two years since the limited beta in 2012 and the acquisition had climbed to—and then stalled at—a reported 40,000[2] clients but irrespective of what we think of whether or not it was revolutionary and how much bigger of a success it could have been in that space of time, Simple remains the original bank brand and that is due to their resolute understanding of the human angle.

Theirs was a banking proposition built to emotionally resonate. Starting with their marketing where to this day customers will encounter decidedly "unbank-like" statements such as "Save easily, bank beautifully," continuing with their tone to the community and shareholders that manages to make the most dry of communication have the warmth of a letter from a friend and most importantly how all this is not pure demagogic rhetoric (as is the case with other banks) but is reflected in their proposition design which blurs the line between traditional banking products and mixes the current account and the savings account into one blended experience.

Simple is one of the first banks to emphasize savings as a central exercise to improve their customer's well being and sets out to give them the tools to live a better life such as easy **budgeting**, visual **savings goals**, and automated savings.

Most notably, Simple invented—and trademarked!—the notion of **Safe-to-spend**. A feature that allows you to see what every consumer is really interested in seeing when checking their balance—how much money is it ok to spend that shouldn't otherwise be committed to upcoming bills and payments.

Deceptively simple this is bar impossible to replicate to this day by most banks due to their lack of categorization and aggregation that prevents them from executing any financial projections for their customers. The feature is addictively good. It so evidently saves time and mental calculations that

[2] Joshua Reich, "One Year with Our Customers", *www.simple.com*, July 15, 2013, https://www.simple.com/company/one-year-with-simple.

anyone who has ever used it a few times can never go back to seeing their balance in the unhelpful way that most banks offer, where from the number on the screen they have to mentally deduct the upcoming rent, what they owe their workmates, and what they should be saving for the car.

Simple is intensely intelligent in focusing on Savings. Beyond the monetary aspect of that being a more lucrative banking product, Savings is “Good Money” as we described it in Chapter 5. The power of its future positive projection by the act of delayed gratification where we wait for a purchase we can afford in lieu of creating debt for an immediate purchase we cannot is extremely important to our relationship with money. When Simple manages to take the pain out of the righteous act of delayed gratification that is savings, customers are grateful and connected and that is immensely sticky—I have not seen any statistics on this a few years on; I would wager that most of those initial 40,000 customers are still using Simple and wouldn’t be without it.

It is impossible to separate the drivers behind why people chose to become Simple customers. Were they enticed by the lack of fees, the value proposition, the exceptional design, or the fact that they believed the ballsy “Genuine human goodness inside” claim? Most likely answer is that it was a combination of these that build FinTech’s first banking brand in Simple.

EX Makes BRAND

If you look at the examples above mBank, CBA, Barclays, Simple and check any of the—arguably faulty and limited—brand indicators we have at hand such as Net Promoter Scores and satisfaction surveys, it becomes very evident they are leading the pack and are now solid brands with loyal, proud supporters in their own right.

Is there a way to unequivocally tie that to the fact that their impetus was “EX not UX”? Not definitively, but the causality will become more and more clear over time if their efforts were culturally fit and intentional in lieu of accidental or design fad driven.

CHAPTER 7

Banks and Brands

Contents

What Is in a Brand

In the beginning, my journey was to some extent powered by personal and professional indignation that banks don't spend money on finding out what consumers really feel and giving it to them. My perspective shifted over the years toward the understanding of why this is and it all comes back to systemic ignorance on the power of branding and the culture that enables the ignorance.

I realized very soon that banks are not brands and if we look at how successful these are, banks need to quickly become real brands before the companies who already are brands decide to become banks.

They may believe they "have" a brand although what is typically meant by that is that there is a "corporate identity"—whether simply visual or harmonized with messaging. But to "have a brand" is far from to "be a brand", and it's the latter that banking hasn't grasped.

To start with, bankers seem resolute to confuse branding with marketing. While they are not completely separate of course, marketing is a minute part of the brand and certainly not exclusively the remit of the marketing department! It is in fact, a responsibility for every single member of the organization.

Reputation is what people say about you when you're not in the room.

D. Blomstrom, *Emotional Banking*,
https://doi.org/10.1007/978-3-319-75653-0_7

The easiest way to explain brand is to extrapolate that to say "Brand is what people feel about your company when they don't even think about it."

When LinkedIn's CEO went to visit one of their offices in Dublin, one of his employees, Mariah Walton, couldn't be in the office[1] for the visit and left a note pinned to her screen next to a picture of herself saying:

> Hi Jeff, I wanted to meet you but I had to go to Venice instead (SO sad:) I've been in Analytics at LinkedIn for 3.5 years first 2 in Mountain View and now sit in the DAM team under Bvani. I'm the technical owner of the International Dashboard you see each Friday and support EMEA execs and BizOps on strategic projects and deep dives. Enjoy your time in Dublin!!! (Just avoid fake Mexican food!)

What Jeff Weiner did when he saw the note was sit at her desk and take a picture with hers as if they were together posing for a photograph then sent it to her.

This was of course an amazing move internally but seeing how LinkedIn is a content company she posted it and it became viral, which evidently strengthened LinkedIn's brand that reaffirmed them as human, caring, and smart not only internally but to everyone reading and demonstrated how both the product owner and the CEO have a core understanding of their brand.

Without this core understanding of what a brand really is, I do not believe banks will ever be able to deliver compelling user experience, understand what Human Centered Design (HCD) truly entails or—crucially—remember their "we do want to serve the consumer" mission statement demagoguery enough to transform it into reality.

Falling in Brand

> I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel. —Maya Angelou

Studying how consumers emotionally respond to brands is not nearly as advanced as it could be. This is because the definition of brands has been evolving due to the way we experience their offering with the advent of the digital channels.

The best brands transcend the channel and give us a unitary (pleasurable) impression whether in person or digitally. If you're an Uber fan (the "if" stems from their latest reputation degradation in London and San Francisco) you'll feel positively about the overall experience without even being able to separate the value as coming from the ease of payment or the drive in itself.

[1] Mariah Walton, "Update", *www.linkedin.com*, September 2017, https://www.linkedin.com/feed/update/urn:li:activity:6334495246939885568/.

Research does show we have the same emotional response to developing a relationship with a brand that we do when embarking on a new relationship with a person. In other words, we fall in love the same way with brands as we do with people.

There may not be as clear of passionate moments of "wow"—which we presume are impossible to replicate elsewhere—from how that brand intimately understands our very core and we may not go to sleep and wake up thinking of it, but we trust brands with the same mechanisms that we trust people and more importantly, on a smaller scale, we experience the same sense of content belonging while it lasts and a sense of loss when disenchanted.

The key reason why it's on a smaller scale is because of how in the case of this form of attachment as compared to relationships, there's acceptance and active encouragement around mobility. The expectations that we would discover something new and move on are, after all, the essence of commerce.

In banking, this expectation of mobility largely does not exist, and it's worth considering what this means for the relationship.

Brands work hard to become and remain part of the fabric of who we are. Banks, however, couldn't be further from doing any of that work—yet we don't leave.

Truly valuable brand experiences become part of the customer's own narrative and identity—who we wear, what we listen to, what we watch are all points of self-actualization and pride—yet there's never any pride in who we bank with.

"Brand equity is intangible value that determines to what extent associations evoked by a brand are able to predispose stakeholders to prefer this brand to others or pay a premium price for the brand now or in the future," says Adolfo Fernández, Director for Customer Service at Millward Brown, Madrid.[2]

It is this equity we should be keen to acquire in banking.

We use brand association as a means of communicating things about us that would be otherwise borderline socially unacceptable to communicate in an adult or professional setting. Kids will walk up to each other on the playground, wave awkwardly, and say, at the speed of 100 words per hour "Hi, I'm Kate – I like pink and Frozen and lollies and sunny days and singing and skipping and I have a pet hamster named Bubbles and my mommy has a thousand shoes and I have Dora the Explorer PJs and like Fruit Shoot. You?"

And they will get a response. This becomes less and less of an acceptable method of communication as we advance through life, so to replace it, we wear a certain color (or if you're in financial services a certain type of kooky socks at conferences) and drive a certain car, we drink a certain make and choose a certain newspaper or TV channel.

[2] Kantar Millward Brown, "BrandZ™ Strong Brands Outperforms the S&P 500", *www.millwardbrown.com*, December 2014, http://www.millwardbrown.com/brandz/top-global-brands/2014/brandz-strong-brands.

There is, of course, a difference between someone driving a Mercedes by accident and someone choosing to drive a Mercedes and then expressing it.

"I drive a Mercedes" is a statement to mean they've chosen it, that there is something about the values it represents that they subscribe to—whether it's the process of making it, its appearance, its technical prowess, or its country of origin that the driver admires, the statement says parts of that and implies they are proud to be associated with it.

We'll hear what people drive, what they wear, and what they drink every day. Never who they bank with.

"I bank with Lloyds" should say so much about someone. It should say "I'm conservative in nature and careful with my money (yet not as far backwards as to be with the biggest bank in the world) and like my bank to give me some digital convenience (yet I don't appreciate the SciFi pie charts or the all-black browser experiences and don't mind the maddeningly tedious password entry experience), I like how they occasionally try and keep up with the times (yet don't want them to be trying too hard and give me doggy treats or video banking for mortgages) I like that I can send money to my spouse (but don't care how much it costs or how painless it is to do so) and hey, I may even like green." If Lloyds were a brand, customers would say it, be proud of it, and expect it to mean something.

When the CheBanca team thinks of vision, direction and translates that into product they intently drive what capital they are building in their brand in person and online.

They go far beyond creating user personas and sticking them on the walls; the process is about carving a sense of emotional investment with every gesture and every choice of color and then sustaining that with service and interaction. They are inserting themselves into the fabric of who their consumers are and want to be.

How do I know this? I don't. I never sat down with them or witnessed this but I am willing to bet my last Euro that they don't expect any of the narratives around what it means to bank with them, to just happen and pay it no mind, or they would not have built a brand beloved by Italians above the likes of Nike or Starbucks.

Whether intentionally crafted or accidental, brand "happens," but addictive, beloved brand doesn't. It takes work, and it takes passion.

Branding Is Not Marketing

While it relies heavily on marketing to convey its message, branding is a lot more complex than that and should be permeable to all levels of the organization, so much so, that confining it as only the job of the marketing department is truly detrimental.

In fact, organizations that believe branding is the business of the marketing department and is reduced to a set of colors and fonts are not engaging in creating a brand at all, they are simply marketing a product, and the distinction is paramount.

The length of the phone queue and the music played while on hold is branding; the carpets in the branch are branding; the words chosen when answering a customer on Twitter are branding; the way the mobile app feels helpful or annoying is branding; what the CEO sounds like is branding. All of it. Everything banks do during their interaction with the customers translates into an experience and how that experience makes them feel is what the respective bank's brand is.

Nonetheless, the vast majority of banks miss on this crucial point and then willingly or circumstantially ignore the depth of the subject and misunderstand the term so they end up confining the responsibility to the marketing department which is a practice that ought to stop once we fix the culture.

Examples of Winners[3]

Banking may be the only industry where building an emotional bond with the consumer is not a top priority.

The excuse given is often that financial services can't be "loved." But then again, who thought a taxi company (Uber), an airline (JetBlue), a specialty retailer (Ted Baker), or a phone (Apple) could build such an emotional connection with consumers?

Other industries work hard at bringing new products to market, deeply understanding consumers and creating an unbreakable emotional bond with them to ensure they become fans who keep bringing new business. So, why hasn't banking tried harder to improve the customer experience enough to stand out?

One reason as we said is the fact that the banking industry's low attrition—caused mostly by difficult (or perceived difficult) switching processes and lack of choice—has lulled financial services executives into complacency. With low attrition, unchaining pens or offering digital devices in branches is usually the extent of customer centricity.

The lack of urgency to replace attriting customers has resulted in changing products and delivery channels mostly to reduce costs as opposed to better serve the consumer. In banking, neither the products, nor the level of service, have changed much through history.

Worst still, while other industries spend most of their time exploring the psyche of consumers to extract insight that would help them become a beloved brand, the banking industry usually thinks of branding as a visual corporate identity exercise where changing the secondary color of the brochures is a major decision. A new tagline doesn't create love unless it is delivered upon.

[3]Duena Blomstrom, "Are Consumers Emotionally Connected with Your Brand?", *www.TheFinancialBrand.com*, December 14, 2016, https://Thefinancialbrand.com/62807/emotional-branding-banking-customer-experience/.

According to Beloved Brands.Inc, customers move along a "Brand Love Curve" and as they become more connected their behavior changes. They postulate the customer starts off as "Indifferent" where he is "Not aware/ Confused/Not interested" to "Liking it" where he "Has needs satisfied/ Thinks about it/ Tried it/ Practical/ Makes Sense" and then to "Loving it" where the customer "Craves it/Great Experience/ Emotional Choice/Lifestyle fit" to finally considering it a "Beloved Brand" where he becomes "Self Expressive/ Outspoken Fan/ Would never switch/Has Memories/Built into life."

When it comes to the banking industry, not only is the consumer in the Indifferent Stage, so are the banks. Neither has made a significant movement down the "Brand Love Curve" for decades.

Brand = Advertising + Product + Heart

The Power of Advertising

When consumers are polled about their favorite brands, they mention those that have worked hard to form a relationship and have used data and empathy to personalize the experience. Unsurprisingly, the top examples never contain traditional financial providers. More interestingly most of these brands are but a few years old.

The age of a business is not a factor in making a brand loved, however, as we can see from brands such as Coach, Carlsberg, or Burberry. Despite each firm's long history, they still work very hard at keeping an emotional connection with their customers. This emotional connection has become part of their legacy.

For example, Burberry has treated its fans to The Tale of Thomas Burberry.[4] A very high-cost advertisement, with a production value, is so good, it can easily pass for a Hollywood trailer, and there have been calls to transform it into a movie.

> *"The role of brand is to create a unique, own-able and motivating idea that transforms the brand's purpose-driven DNA into a brand reputation that connects quickly and lasts in the minds and hearts of the consumer, generating a tight bond, power and profit beyond what the product alone could achieve."*—Graham Robertson, the creator of Beloved-Brands.com[5]

[4] Rebecca Stewart, "Ad of the Day—The Star-Studded 'Tale of Thomas Burberry' Kicks off Christmas Campaign Season", *www.thedrum.com*, November 1, 2016, http://www.thedrum.com/news/2016/11/01/ad-the-day-the-star-studded-tale-thomas-burberry-kicks-christmas-campaign-season.

[5] Graham Robertson, "How to Win the Competitive Battle for Your Consumer's Heart", *www.belovedbrands.com*, October 2014, http://beloved-brands.com/2017/11/13/competitive-strategy-2/.

Most recognize Apple as an excellent example of the power of brand. Apple does not want casual buyers, but dedicated fans, underscoring the link between brand love and profitability.

"A brand becomes beloved when demand becomes desire, needs become cravings, and thinking is replaced with feelings."

Apple illustrates what happens when traditional thinking is replaced with human emotion. As they state, "99% of the people who have an iPhone, love it." This enabled Apple to create the poignant "If it's not an iPhone, it's not an iPhone" campaign[6] that reaffirms they have built an undeniable standard.

All good advertisers will insist that two parts are essential in creating strong content: (1) exceptional consumer insight and (2) making the consumer feel brand affiliation.

One of the challenger banks in the UK, **Atom Bank**, started their efforts of making their potential new customers feel an individual and personal connection by creating 1.4 million logos that assign a unique color combination to each client experience. Another challenger, **Tandem Bank**, would likely say their campaign of hilarious videos with titles such as "What if your favorite pub was run like a bank" is a way of leveraging on consumer insight. In reality, they are just pointing out a painfully obvious, common knowledge set of emotions we experience as consumers when presented with poor banking service.

The Role of Great Products

Creating strong advertising copy in itself is necessary, but not enough, to create a beloved brand. Being able to come up with solid, meaningful product offerings, or rather replacing products with Money Moments while being willing to continually reinvent is part of the equation. In the case of the many UK challenger banking organizations, there is a risk of doing a lot of advertising but nothing to reinvent and redesign the same exact products offered by traditional banking.

While aiming to build "customer obsession" is what every brand should do, it isn't achievable in the absence of a serious look at the core product line.

Companies such as Virgin have gone above and beyond to change their core products and meet their consumers where they are needed. Not long ago, Ford asked Ideo help them transform, and as a result, Ford is now aiming to go beyond manufacturing cars, and instead becoming a "Mobility Provider".[7] The goal is to keep Ford on the road in a way that falls naturally into their consumers' lives.

[6] Bryan Chaffin, "Loved iPhone Commercial: 99% of People Who Have an iPhone Love Their iPhone", *www.macobserver.com*, July 15, 2015, https://www.macobserver.com/tmo/cool_stuff_found/post/loved-iphone-commercial-99-of-people-who-have-an-iphone-love-their-iphone.

[7] Ideo, "Beyond Cars: Designing Smarter Mobility", *www.ideo.com*, January 2016, https://www.ideo.com/eu/case-study/beyond-cars-designing-smarter-mobility.

No product is too rigid to reexamine and innovate in a way that resonates with the consumer's inner narrative.

JetBlue

There are few other places in the world that demand more in terms of customer service and good value for the money than the USA. There are also few industries where achieving customer satisfaction is arguably harder than in the highly emotional and intensely personal relevant airline industry.

JetBlue has achieved the performance of building real fans. Scoring at the top in customer satisfaction for 11 years in a row, JetBlue has consistently been either first or second in satisfaction surveys since its inception in 1998. JetBlue is also one of the top 50 most innovative companies as well as being the fastest company to hit 1 billion $ in revenue from inception. And that is because they boldly and intelligently lead with emotion.

It's All About the Snack

There are objective reasons why customers love the airline. Chief among those, according to surveys, is that JetBlue offers live in-flight entertainment on every seat as well as free drinks and snacks on every flight. This sets the airline apart from their competition. They also do well at check-in and during flights, having an award-winning digital experience and were the first to introduce "Apple Pay in the Sky." Bottom line, they recognize that what resonates with people most is their level of enjoyment in flight.

In their latest publicity stunt, they truly bet on "the way to the consumer's heart is through their stomach" by introducing edible ads.[8] "We're not saying you should, but you could eat the paper" they say in the ad that reminds their consumers they can have all the snacks and drinks they want on a JetBlue flight. Unlike other airlines, the snack is left out in the galley, ready to be picked up by satisfied passengers at any point during the flight.

#LifeInBlue

JetBlue was founded with the express intent of challenging the status quo, and they often use empty whiteboards to design the in-flight experience. While the airline is fiercely driven by product innovation, they recognize in the same breath that "the secret sauce" is not just in experience design or equipment, but their people. "Anyone can buy airplanes and fit TVs, but you can't copy culture … what we have here you can't fake," states Robin Hayes, CCO of JetBlue.

[8] Christine Birkner, "Jet Blue Made an Edible Ad to Promote Its All-You-Can-Eat Snacks", *www.adweek.com*, December 1, 2016, http://www.adweek.com/brand-marketing/jetblue-made-edible-ad-promote-its-all-you-can-eat-snacks-174881/.

> *"We want every one of our employees to say, 'Wow, this is the best job I've ever had,' which we hope will make our customers say, 'Wow, this is the best flight I've ever had'."*

Evidence of how serious JetBlue is about culture ranges from how they treat employees—last year they opened "the Lodge"—a boutique hotel for their employees to how they recognize words matter and they enable empathy and honesty in their #CultureCode.

Efforts like building kids playgrounds with KaBOOM in impoverished areas are not uncommon for organizations that are trying to show corporate responsibility. But, it's hard to believe JetBlue is simply ticking a box when the authenticity in their care is evident in so many other ways, and when they built their whole business proposition on "bringing humanity back." More than just a slogan, the organization tries to live it's brand every day.

JetBlue's founder, David Neeleman, is considered the Steve Jobs of the airline industry. He speaks about how building a brand people love is paramount and hinges on "having real brand advocates and taking great care of them." According to Needleman, "Being flawless in execution and innovating for connection with the customer is difficult, but if you succeed, there is evident value correlation."

Ted Baker

Having launched as a specialist shirts shop in Glasgow in the late 1980s, Ted Baker quickly became an amazingly successful "affordable luxury lifestyle brand" under the tagline, "no ordinary designer label," which boasts legions of supremely dedicated fans.

> *"From subtle embroidery and the use of the finest fabrics, to amusing notes on the packaging and irreverent window schemes, everything that bears the Ted Baker name offers absolute attention to detail, quality and that 'little bit more' Ours is a style that's completely unique."*

What's in a Name?

One of the most extraordinary facts about Ted Baker is that there is no such person. That doesn't stop the brand from building a brand proposition as if there were. The company goes as far as to say, "Everything produced under the Ted Baker name has his personality woven into its very heart," implying there is such a master tailor by that specific name when in fact, the brand's creator's name is Ray Kelvin rumored to be an eccentric recluse few people ever met who simply didn't want his name associated with the new brand he was building just in case it failed.

Irrespective of the anecdotes behind the creation of the persona, having Ted Baker for customers to fall madly in love with, has proven a strike of genius for the company. The brand now dictates new fashion trends on the catwalks, but they also make sure their customers keep in awe and in joy.

"It's All About the Soul"

It is notable that the Ted Baker brand flourished and grew effectively by word of mouth exclusively in the beginning. Not much was done with advertising at first, preferring to rely on its cult-like following, and letting Ted Baker brand advocates do the selling.

Instead, efforts were focused on carefully cultivating their followers, using the highly intelligent wording, being a bit quirky, and being detail oriented. Proof of this lies in how most of Ted Baker's messaging is etched on their products—designed to elicit a warm smile from someone who has already purchased the product, effectively transforming them from a buyer to an advocate (Fig. 7.1).

Beyond the shirts, the soles of Ted Baker shoes often say things such as, "It's all about the soul" or "Cinderella is proof that a new pair of shoes can change your life."

Other apparel sayings include, "Sew in love" or "Ted Says you look fabulous today" or "Grin and wear it." Handbags feature, "You really got a hold of me," while "Consider yourself protecTED" is on the inside of a phone case.

Fig. 7.1 Messaging to the loyal consumer

Interestingly, unlike brands that brag for all to see, Ted Baker messaging is never on the outside. The stellar copy is not for marketing, it is for cultivating brand addiction from their existing customers, demonstrating they know you cannot stop surprising and delighting if you want loyalty.

When Missions Are Impeccable

In 2015, Ted Baker was one of the first companies to use Instagram in an innovative, engaged way, and it was one of the most successful campaigns to make use of social media. The #Pinch_Me campaign encouraged users to look for hidden messages within the images Ted was posting to promote its SS15 campaign, making innovative use of Instagram filters and generating 7.3 million impressions in its first month.

This year, they have upped the bar even further having launched what is one of the most interactive campaigns in the fashion industry. Mission Impeccable is a unique example that real "omnichannel experience" means meeting your consumers where you know they will be by heavily employing the latest in technology.[9]

The campaign starts with a 3-minute espionage film produced by Guy Ritchie, and in an interview about Mission Impeccable, Ray Kelvin says he's been waiting 10 years to find a way to connect the digital dots between a movie and real life in a way that has "purpose and depth."

The result bridged the gap between the street and the screen in a gamified way incorporating shoppable videos, interactive store windows, and innovative social media thanks to partners such as Wiremax, Poke, and Google.

Chasing the Experience

In 2014, Ted Baker started setting up barber rooms in some of its locations in London, prompting many to wonder as to whether its strategy was to move into the beauty industry. While evidently they welcome the new revenue stream, the company's history suggests they were simply eager to capitalize on another engaging of experience for their target audience—the trend that sees shaving transform into an immersive show, including steaming the skin with very hot towels and burning away unwanted ear-hair with fire.

While Ted Baker's lifestyle products and experiences are of undeniably of incredible quality, it is the element associated with building a unique emotional brand that turns legions of customers into dedicated fans who want to be "Ted to toe."

[9] Shona Ghosh, "Ted Baker Claims Fashion First with Google Collaboration on 'Mission Impeccable'", *www.campaignlive.co.uk*, September 7, 2016, https://www.campaignlive.co.uk/article/ted-baker-claims-fashion-first-google-collaboration-mission-impeccable/1407918.

Brands Make Bank

Zappos, Amazon, Ugg, Mini, Lululemon, Lego, and Disney all have legions of loyal fans because they focus on building strong, emotional ties with their customers. These brands understand that 80% of their business comes from 20% of their customers, and that they can realize up to a 95% boost in profits if they reduce attrition by 5%.

With the ability to connect with customers 24/7/365 through social media, digital technologies and unique gamification, and immersive strategies, some brands have become so omnipresent that people see themselves through the prism of the brands they are loyal to. Being an emotional "brand advocate" is intensely important for the consumers. Even when no one knows someone is carrying an iPhone in their pocket, wearing Happy Socks under their suits or have the latest Birchbox inside their suitcase, these brands help define the consumer.

Great brands with emotional appeal become part of a consumer's identity. And once loyal, these consumers are also fiercely protective of their "brand-based" identity, but eager to share their loyalties with others.

It's hard to pinpoint exact number correlations between the ethos of a brand and the dollars it brings to the coffers, and in the financial industry, we need the numbers before we do anything.

We know, however, enough metrics that should have banks clamor to become brands.

We know that those brands that embrace a social ideal and use it in their activities, in the last 10 years achieved 400% more favorable results than their competitors from Standard & Poor's 500. We also know that over the past 12 years—since just before the global recession and during the economic climb since then—the value of the BrandZ™ Global Top 100 increased 152% in value; also the value of the BrandZ™[10] Strong Brands Portfolio increased 124.9% over those 12 years, outperforming both the S&P 500 and the MSCI World Index, demonstrating that valuable brands deliver superior shareholders returns.

The value of these brands (and their stock prices) grows and stands the test of time because they use data and advanced analytics, personalize their products, and obsessively deliver surprise-and-delight moments, but most importantly, it is because they have the courage to build strong internal values and change their culture to create a meaningful, lasting relationship to their consumers which is why Emotional Banking was created to help banks do the same.

[10] Kantar Millward Brown, "BrandZ™ Strong Brands Outperforms the S&P 500", *www.millwardbrown.com*, December 2014, http://www.millwardbrown.com/brandz/top-global-brands/2014/brandz-strong-brands.

CHAPTER 8

Changing Culture to Build a Brand

Contents

How to Naturally Arrive at Putting the Consumer at the Center of Design and Service

So far, we have established the need to put the customer at the center of the design when we create their Money Moments and that truly doing so implies a lot of rethinking of the current product suits to become a real brand which may be a cultural challenge. Human Centered Design (HCD) is the most evident answer to this problem.

Rethink and redesign with the customer's Good or Bad Money Moments in the center, putting the human first and you will come away with an undeniably strong proposition that they will love.

Nonetheless, as with everything else, mandating and demanding change in the way an organization reacts—and even organizes itself—is far less efficient than creating the environment for that change to happen.

This is why I believe that implementing the programs of the Emotional Banking method to spark a genuine new mentality, way of working, and need for better results centered around Design is likely far healthier for banks than having an executive decide that Design is their new strategy and should be the North star as of Monday.

D. Blomstrom, *Emotional Banking*,
https://doi.org/10.1007/978-3-319-75653-0_8

In the past few years, a series of banks have mentioned HCD, but it felt contrite and PR led in lieu of sincere and true to the organization's mission. In most cases, it was used as a demonstration of said organization being serious about the customer proposition—an extension to the "customer centricity" phrase we have earlier denounced to often be nothing more than lip service—and that made the declarative moves toward HCD part of the same disingenuous package.

Now of course, it is intensely plausible that those who proposed this, be they internal in the bank, or an external consultancy such as IDEO, Fjord, and others that pioneer the method, sincerely believed in its importance and success, but bringing it in an organization that hasn't "cleaned house" in terms of culture sets it up for failure.

No honest, first principle redesign can even commence in a troubled organization, and that reduces the method to nothing else than a series of post-it-driven persona exercises yielding little more than iterative, minor changes in the digital experience.

While other industries turn to these new methods on a path of elevating the Product Design process to becoming the natural replacement of other business areas such as strategy at the proverbial "table" and allow it to drive their every move, so that the customer ultimately benefits from the best possible experience, in banking we brought the concept of Human Centricity in Design in, without intending to allow it to take over but as a trendy extension of our current status quo.

This status quo refers to both the concept and the organization. We believe and execute on the same product suits, the people are the same, the mentalities unchanged, and we simply plaster a claim of working on HCD on top of it and hope it means anything beyond hollow PR. And it does not.

Rephrasing efforts around Designing for an addictive experience and become a real brand only works once the bank has undergone a significant amount of transformation.

The boards have been shaken up, the people are empowered with knowledge and expected to be courageous, the dialogue is truly open, and there's real collaboration and passion. When that has been achieved and it is in place, that is when we can see them creating HCD without even knowing the name for it.

Take an Honest Look—Checklist of Questions Banks Should Ask Themselves

- Who knows what? Who reads/learns what everyday?
- Who engages in dialogue in the industry?
- What are examples of meaningful changes executed so far?
- Why do we never question the fundamentals of our product suits?
- Are we using macro-excuses such as "security and regulation" and "spaghetti back-end"?

- Are we afraid to push boundaries?
- Are we in denial about tech giants coming to eat our pie?
- Are we thinking we are exempt from creating the right experience?
- Do we think "surprise and delight" is a fluffy concept aimed at retail shops?
- Do we think cultural transformation is a silly aside to business as usual?
- Do we truly understand how disruptive experience and brand can be if combined with relaxed regulation around banking?
- How do we hire the best people?
- How do we keep the best people?
- How honest and unencumbered by political correctness can we be when we define what is "best people"?
- How do we motivate people?
- How do we encourage initiative and risk taking?
- How do we reward people going the extra mile?
- How do we ensure we feel everyone is invested in our big strategic decisions?
- How often do we re-examine our mission?
- Do we think we have a brand in the same sense Apple or Burberry does?
- Do we think that branding and marketing are the same?

DBS—When Cultural Change Gets a Front Seat

"When rethinking all this the third—and perhaps most challenging—priority I created was around culture. Today, we are up against businesses that work out of a garage, take risks, operate in a nimble way, and have a different kind of energy and drive. Large incumbent companies that can't create a similar kind of culture just won't be able to compete. One of our rallying cries has been 'how do you create a 22,000-person start-up?'"—said Piyush Gupta, DBS' CEO and the intrapreneur behind Digibank in an interview.[1]

Over the past 4 years, DBS has undertaken a transformative process to see them become a significant brand in their geography, and under Gupta's leadership, they imagined and brought to market a brand-new, fully digital proposition in India that is approaching 1.5 million customers in uptake.

Most of the changes Gupta made are arguably cultural from getting the board to rally behind the plans for "making banking joyful" to introducing new technologies across the organization in courageous moves, but calling out "culture" as a priority made it possible for him to spell it out that the changes have to be momentous as well as pervasive throughout the organization.

[1] McKinsey Quarterly, "The Digital Reinvention of an Asian Bank", *www.mckinsey.com*, March 2017, https://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/the-digital-reinvention-of-an-asian-bank.

One of the first measures to better his people has been to raise the level of knowledge, and at DBS, they have first tried classroom teaching and soon realized it was a slow, inefficient method of education and have instead opted for hackathons across the organization which soon translated into engaged employees of all age groups and from all departments participating in the "unlimited WiFi, beer and pizza" 2–3 days of hackathons that saw many teams come away with a new app or a new feature.

Needless to say that learning by doing has proven immensely more fruitful, and DBS bank employees are now among the most FinTech literate ones. After all, they were a FinTech entrepreneur themselves just last weekend.

Looking at the catalogue of exciting changes DBS has seen under Gupta, to me the most significant one that shows the most commitment to putting the customer truly at the heart of every interaction, is how, in some locations, anthropologists were hired to build HCD laboratories and spaces have been redesigned for that purpose alone to allow for collaborative, open communication.

There is little doubt that Piyush Gupta is a courageous CEO and one that made lasting cultural change in banking changing culture to use tech and create a brand, and that he has assured his bank's place at the table as a big player for years to come both as a relationship and a rails winner, but he is also, sadly, being regarded as an alarmist by those who don't want to hear his infamous "Reimagine banking or die" cry for arms.

Is Banking Culture the Same as Any Other Organization?

Studying organizational culture is a relatively new discipline, and some trace its beginnings to the 1950s when at Carnegie Mellon, academics were working on what they called management science—a theory of decision-making inspired by the computers that had come out during World War II, while meanwhile, at MIT, three professors—Douglas McGregor, Edgar Schein, and Richard Beckhard—were creating a new field called organizational development.

Edgar Schein is largely credited with coining the term organizational culture (the linguistic cousin of corporate culture). "In the 1960s, there was an emphasis on humanistic psychology, involving the worker, because then they would work better," "We were interested in how groups and leadership could be made more effective. So we started something called the human relations lab."

A pair of hypotheses rose out of these laboratories. As McGregor explained in his 1960 book The Human Side of Enterprise, managers could think of their employees in one of two ways: as lazy work-haters who need to be closely supervised (Theory X) and as ambitious self-motivators who thrive in an atmosphere of trust (Theory Y).

There are now a series of studies and practices dedicated to understanding and bettering an organization's most valuable capital—its people if none created specifically for banks.

One of the questions I started asking myself when I designed the Emotional Banking methods has been around whether or not, banks are like any other organization when it comes to their culture. Something tells me they are not.

There is, evidently, a degree of commonality in the way a big organization functions, its internal dynamics, its size constraints, and challenges, but in banks, culture seems to be intrinsically connected to the way people working in the organization view their jobs and their mission.

Banking—and in particular retail banking—intersects big themes such as money, technology, and humans, and while banking as a whole is doing very little in the way of investigating what those emotions are that are connected to one's finances, bankers are consumers themselves and are therefore very aware of the panoply of needs and feelings around this.

Many other industries are shaken by the fast pace of technology, and some deal with the same modern-day moral dilemmas around data, security, and automation just like banking does, but as opposed to retail or health care, identifying with one's consumer is unavoidable in banking, and every banker *is* a retail banking customer as well.

If you ask any one banker from tellers to execs in any of the incumbent banks what ought to go in a digital bank, they will very astutely come up with pretty much the blueprint of mBank or the likes. Why then do they not use that knowledge to make their proposition into exactly that?

Similarly, every banker I've spoken to about the grave injustice of not having investigated consumer's feelings regarding their money immediately becomes equally outraged yet goes right back to "business as usual."

I suspect this dichotomy of both knowing what is right and not feeling like you are able to do it is at the root of why banking culture is different than that of other industries as it adds an element of cognitive dissonance on its workers that weighs heavy on everyone and has intense adverse effects on the organization.

In "Chapter 9—The Build a Voice Program," I included one of the articles I've written about this cognitive dissonance and how it affects bankers. It is one of the great tragedies of the industry that we spend so little time on being compassionate toward those working in banks and what their plight is trying to change things from the inside when they do.

This is also why I've included the Intrapreneur Warrior's Guide as one of the programs in the Emotional Banking method, because I think there are plenty of knowledgeable, passionate, honest superheroes-in-waiting ready to make great things happen and transform their bank into a beloved brand.

Ingredients for Change—Knowledge; Passion; Courage; Language and Honesty

Knowledge

Having knowledge is empowering. Having knowledge in a fast-paced environment such as FinTech is utterly imperative yet challenging.

If we are to imagine the perfect world where it is fair and politically correct to accurately test people for the amount of knowledge they really do have before we hire them to become bankers and build our Money Moments, we would still have trouble finding the best people if what they know is what is measured.

While the academia is trying to catch up and new FinTech programs are springing up everywhere, there is no reliable course structure as it's all so very new and so fast paced in terms of change so by the time the curriculum is designed it can well already be obsolete and is at best non-exhaustive.

In lieu of knowledge itself, I propose we should look for the key two drivers to obtain it—high IQ and high levels of relentless curiosity.

Evidently, there is no way to force people into being curious and have a hunger for knowledge, but if banks hire the right talent, I believe we can stimulate their inquisitive nature by helping them engage in the FinTech community and that is the major reason behind building the Build a Voice part of my Emotional Banking method.

Passion

All of the programs I've designed are aimed at encouraging bravery and passion in one way or another—the Keep-it-Real program helps bankers tell it like it is, the Everyone-is-a-Designer workshops stimulate passion for design, and the Intrapreneur's Warrior Guide is a handbook to empower bankers to make courageous changes inside the organization, and in addition to making bankers engaged, in the Build a Voice program the aim is to test the theory that FinTech is nearly addictive, those who discover it and become entranced in the dialogue never leave.

> *Simon Sinek, in his famous TED talk How great leaders inspire action, says "people don't buy what you do, they buy why you do it."*

Zappos is an organization that is often used as an example of how the company's culture is at the basis of their success of building a real brand.

> At Zappos, our belief is that if you get the culture right, most of the other stuff – like great customer service, or building a great long-term brand, or passionate employees and customers – will happen naturally on its own. —Tony Hsieh

Many successful companies today do a lot to make themselves attractive to talent (and increase the likelihood that they become passionate about their work) with Silicon-Valley-inspired-perks ranging from the famous ping-pong tables to beer-fueled hackathons to redesigning work spaces and ways of work, and it's all in the hopes of getting their employees to enjoy their place of work and be their best passionate self. At Zappos for instance, they are so sure they pulled all the possible stops in constructing the idea environment and are so serious about hiring for fit that it offers new hires $2000 after the first 10 days to quit. They want to get rid of the ones who don't LOVE it there—fast.

Changing the bank's ethos to where they put passion at the center of their operation seeing their people unafraid to experiment and fail and have strong, invested beliefs in what they should be building is far from trivial as it's the type of big shift that can't be served by PR declarations in lieu of structural change.

Programs like those in my Emotional Banking method can awaken passion and inspire bankers to be brave, but once they accomplish that, the organization they are in must recognize it and further nurture it in evident ways, changing the way it views ownership, innovation, and results.

Courage—Honesty and Language

Having knowledge and passion is necessary, but I believe there is a real danger of that not being enough by far in an industry like ours that has become deeply plagued by a lack of courageous, honest communication and I believe that is partly a result of the cultural illness and cornerstone in that the lack of clear language being used in banks today.

Big organizations in general suffer from consultant speakitis, but banking is even more affected.

Every banker can point to most of their meetings being a jargon fest with acronyms and platitudes galore flying around the table and little real dialogue, but for those who are not in the belly of the beast, it takes little more than attending a few industry events to see the extent of this. I wrote this in 2016 out of sheer desperation after a famous such event.

FinTech and Language [2]

Posted on April 11, 2016, by Duena Blomstrom

I've been part of tens of FinTech conferences and most can only be described as an utter snoozefest of little value. Stiff. Corseted. Jargoned to the gills. Wooden language galore. Most speakers sound like media trained drones repeating soul-killing messages about collaboration, technology and customer centricity devoid of critical thought or meaning. Why is this?

[2] Duena Blomstrom, "Money 2020 Europe: This Is How We Rolled", *www.duenablomstrom.com*, April 11, 2016, https://duenablomstrom.com/2016/04/.

I find this fascinating and genuinely think this is a FinTech specific illness. The way in which we slip in and out of meaning and the way many people are genuinely passionate and bit by the bug one moment, and deadpan and businessy the other. Why can't we say precisely what we mean in plain English?

Is it because the excitement of the Technology world only recently met the Finance world where being stiff has traditionally been everything? Many of the people in FinTech are new to both sides of the story, the new wave are new to the working force altogether yet they seem to adopt this same non-meaningful half unicorn, half sloth language.

Maybe it's a sign of how everyone is more or less out of their depth and all the experts are still in the making. Even the most knowledgeable of the FinTech world have only had a few years to work this out as they go along and while in the Tech world one can easily be proud of the outstanding speed of change and focus on innovating for the sake of it, when we apply that to financial services it has to have application and it has to be worked out fast enough to allow the ridiculously long cycles of buying and implementing in banking so it is all scarily fluid. Having to translate all this Tech excitement into Banking value may be what makes them sound like a Silicon Valley hipster one minute and like a retiring McKinsey consultant the other.

Or maybe, more likely and hopefully, it's all about the fact that before technology decided to stuck its hedonism inducing nose into finance, it was all about numbers and being stiff and corseted was necessary to perform the right math whereas now, banking has had to notice the consumer and attempt to start matching these moments of delight they get elsewhere thanks to digitisation.

CX is only "a thing" that bankers have to take seriously because our mobile phones is where we bank rather than where they've been expecting us for the last hundreds of years and the table has turned – it's no longer the consumer shyly coming to the branch hat turned in jittery hands asking for the banker to make some incomprehensible number magic and sell them a product, it's now a case of the banker holding out their top hat asking for the technologists' best tips on how to get to a consumer through this new fangled device. Digital technology brought CX to banking and with it a new language and if it has to be a weird combination between real talk and consultancy speak for now while we build new paradigms for the consumer, so be it.

It's easy to lump all bankers together and hold their collective feet over the fire of how they've failed us as consumers because they have, but if you meet an innovation manager with sadness in their eyes or a head of digital with worry lines etched all over their face or even the odd CxO who sighs heavily and looks longingly in the direction of the latest possible FinTech Unicorn at some Christmas party, remember they are fighting an immense battle against machines too large to describe or even comprehend and once they find their courage and passionmojo again, they can turn this sinking ship around so spare a hug or a pint for the next Banking Superhero this festive season.

Have you ever heard a banker answer direct questions about whether consumers want X or need Y and whether others – challengers or big established digital banks are a real threat? You should. It's a feast of inconsistency and self-contradiction in multiple sound bites.

"Oh please, as if consumers even want X!";

"We can't measure if they need Y, we don't have the back-end to get that data!";

"We know just how bad the mobile app is but without changing all our systems we can't do any better";

"No one would trust Z with their data!";

"Why would W even want to enter banking?!? There's no money in it!";

"New banks have it so easy, ah if we could start one tomorrow we'd make it rock!"

I could go on. It's a mishmash of excuses and self soothing internal jargon delivered with either theatrical passion or staggered words depending on how good an actor the banker is. Yes, it's an act because no matter how we want to vilify tens of thousands of people working in the industry, we can never dispute their level of intelligence and that level sadly ensures that in the back of their minds, they are aware these arguments are intensely intellectually disingenuous and that, is a tragedy.

Tolstoi himself could write a novel about the tragedies of the Frustrated Innovation Manager, the Used-to-Care Head of IT and the Ex-Dreamer Director of Digital Strategy. Maybe call it "The PNL of Love/Hate".

Wars, world hunger, intolerance, global warming. This is a potentially exhaustive list of things banks are not responsible for. What's NOT their fault.

Mobile apps being sluggish and serving no real need beyond a skewed, and non-sensical view of one's balance, antiquated back-ends causing online blackouts when customers most need their money, having built products consumers have to try and mould their needs into, instead of seamlessly fitting into the rhythm of their lives, the subprime crisis and most of world's economical issues are all, sadly, the bank's fault but if you sum up the above the one thing I hold them responsible for, the one thing they could change within the blink of an eye with enough good will and passion is: culture.

I wrote about this before. What I passionately believe will save banking is not new and innovative technology, it's people. The right people with their B(rains) C(ourage)&H(earts) uncompromisingly on display for others to see and grow theirs in turn.

If language inside banks doesn't change and return to normal, meaningful communication immediately, we will soon witness some of the giants falling simply because they were unwilling to talk to each other in an honest, clear fashion and that is why I've designed the Keep-it-Real program as a first step in that change.

Banking culture is like no other. To really put the consumer at the heart of the operation and become a brand to win at the relationship game, banks need to undergo intense transformational change and ensure their people have knowledge, passion, and courage and use real language if they are to ever avail themselves of the opportunities technology created.

PART III

The Methods

CHAPTER 9

The "Build a Voice" Program

Contents

Start on the Inside

For any change in the organization to be meaningful, one has to make that change on as high of a level as possible, so the "Build a Voice" program is most successful when it starts at executive level.

What I've done with the banks I implemented this with was first and foremost sit down for a sincere session of introspection with the sponsors of the program.

The head of HR in one case, the General Manager of Digital in another, we looked at who it was we could get into the program and why. Who in their executive team needed the exposure the most and who would be most open. We then looked at what it is they likely already know about the industry and analyzed their profiles and career paths to find clues as to what makes them tick, what type of challenges motivate them, and what their strengths and weaknesses are and then tailored a narrative that we expected to be most effective to that particular group.

We kept the groups small at first—no more than six executives in the first batch of the program so that we can better focus on each and every one of them.

I start by explaining I'm aware of the tension bankers have to live with these days, and how more knowledge and more involvement may well increase that and so I warn my participants that this will be uncomfortable.

D. Blomstrom, *Emotional Banking*,
https://doi.org/10.1007/978-3-319-75653-0_9

No one—much less executive types—likes being either schooled or analyzed in front of others but this is an important part of the day—self-realization is key to attempting change.

Explaining the concept of cognitive dissonance and how it relates to people in banking sometimes helps. It's not that the participants don't know any better, it's the constraints the organization and the nature of the industry place on them.

The Banker and the Sour Grapes[1]

Posted on March 27, 2017, by Duena Blomstrom

** Warning – the following may cause your knickers to knot. If it does so, please re-read as it is meant as compassionate analysis not mindless bashing.**

Today's story will be about bankers' cognitive dissonance when it comes to consumers' needs.

We are all "grown" here so I'm sure everyone is familiar with what "cognitive dissonance" stands for but a refresher may be in order to help us along:

> In short, it's the feeling of really uncomfortable tension which comes from holding two conflicting thoughts in the mind at the same time.

The most well known example of cognitive dissonance can be found in Aesop's "The Fox and Grapes" fable where a fox is really keen on having some grapes but can't reach to eat them so decides to end its internal turmoil by concluding they weren't going to be tasty as they were not ripe yet, originating the "sour grapes" expression.

Let's replace the Fox with our Banker.

The fox's thought is "I believe I fancy some grapes and I think I will reach and jump and generally do what is necessary to reach them and consume them which would make me happy". Our banker's equivalent is "I believe I am a good at my job, surrounded by good people and knowledgeable enough about FinTech that I accept fast changes need to occur in our digital proposition so I am working hard to ensure we make them fast enough to keep our customers happy."

The dissonant thought on the part of the fox is "I know can't reach the grapes" whereas the banker may think "I know that I am part of a nearly paralysed monolithic structure that is slow to come up with newness and implement it, that all the agile new challengers will bypass us on the race to the consumer no matter what I do."

[1] Duena Blomstrom, "The Banker and the Sour Grapes", *www.duenablomstrom.com*, March 27, 2017, https://duenablomstrom.com/2017/03/27/the-banker-and-the-sour-grapes/.

After having decided he can't do it despite its better efforts, the fox thinks "'They're sharp and hardly worth my while!" while after seeing his first thought being uncomfortably challenged by the pace with which others are moving, the banker said no further than last week "Seen that there Tandem losing its license?

Challenger -schallengers, no danger there, they won't even make it to consumers, no need to hurry anyone, business as usual!"
Having personally heard variations of the "sour grapes" thought above from the mouth of a few different bankers, I was aghast. These are uber smart, uber hard working, very knowledgeable bankers, surely they can't truly believe that.

Surely, I thought, they know that's generally untrue and that examples such as Tandem's story or Monzo's tech issues or even the delays in Starling and Atom they use to make the same point, are not true illustrations of their license to relax as the customer will get better nowhere else, yet they say it. And momentarily believe it.

Furthermore, surely they know that the real threat and why they should not start leaving the office at 5 pm again and cancel their innovation labs, is not the challengers but the huge technology giants and what they are cooking in the background in digital money experience and yet they say that.

Don't get me wrong, I know for a fact bankers are aware that there's threat in the immediate propositions too – after all no one contests that the challengers and the experience-layer-banks will serve to wet consumers' appetite for impeccable UX and really contextual functionality and once wetted it may be impossible to keep critical dissatisfaction at bay, but when you add to that same CX magic the mass that the giants have – it should keep every incumbent banker awake at night.

Here's the kicker though – they are human beings, they can't keep being awake every night, they work double hard without the luxuries the other FinTechers have – the freedom of expression, the speed to see results, the feeling of being part of change at a suitably innovative, fast paced rhythm so they need the momentary relief.

I've said this many times before – no other industry behaves quite like ours or has been affected by the sharp advent of technology and its effects on customer experience in quite the same fashion so we're experiencing unprecedented levels of discomfort in many ways irrespective what part of the industry we are in. All of us – bankers new and old, technology makers and commentators, we are all impacted by this spectacular time in the growth of digital and the money retail business. There's no time to complacently relax into anything, deep conceptual thinking is nearly banned if we wanted to keep up, there is definite uncertainty to accompany ever growing demands and it feels like the more we learn, and the more we try, the harder it is.

FinTech these days has become like an immensely fast paced game with absurd levels of difficulty thrown in for ever-diminishing (or at least largely unclear) pots of gold. No one has to bear the stress more than those working in large incumbent banks. Spare a thought (and occasionally a pint of beer) for their painful bouts of cognitive dissonance, look them straight in the eyes and remind them “Forget Tandem, they’re not sour, keep trying to reach.”

Breed Passion Through Curiosity—Create a Habit of Industry Engagement

If the “Keep it real” and the “Everyone is a designer” workshops are meant to build or at least strengthen courage and knowledge, the “Build a voice” program is designed to breed passion. The hypothesis is that FinTech is exceptionally addictive once you get embroidered in its discourse, so the way to ensure people become passionate about the industry is to bring them to the conversation.

In the workshops, we start with painting the picture of where the dialogue in the industry can be found and who are the protagonists.

We often use my “Ultimate Who’s Who in FinTech” guides and work our way through those names one by one, understanding their stories, recognizing their voices, and of course, in practical terms, following them, adding them on the social media channels they most frequent not only to post content but to engage.

We establish from the get-go that, since most of these titans put out content whether it is reports, books, or daily blogs, creating a habit of reading all they say is really important and we expect to take a few months to create that habit.

We also make a plan to go beyond passively reading and getting information but instead, actively engage.

At the end of the workshop, each of the execs has a social media presence and a clear idea of who they are to listen to in the industry alongside enough curiosity and respect for these voices to intend to do so regularly alongside an interest in creating their own personal brand—a voice in the industry.

Nonetheless, running a bank takes a lot of work, and the best of intentions can be ruined so the Build a Voice program only begins with this workshop but continues with a lot of hard work establishing the routines that will make this pattern of engagement sustainable.

Unsurprisingly, some of the executives immediately think of pawning the work—the daily reading, the weekly content creation, etc.—to “the Social Media team” or a personal assistant, and a lot of my work becomes about preventing that from happening.

Reiterating that this is not a vanity and visibility exercise and presence in itself without authenticity is a waste of time as it’s easily recognizable and the community instinctively sanctions what is “for show” and not born of conviction.

Involving the local social media teams is useful to the program. They are often the people who know most and are well aware of the value that can be created if their executive team opened their eyes and ears and became involved in the conversation.

In two of the banks, the team was able to help me put together a monitoring plan to ensure habit formation and kept an eye on how many times the execs engaged on Twitter or how many times they published on LinkedIn or Medium or even, in some cases, helped them edit some of the content they had written but I have been unwaveringly adamant about the execs writing their own pieces and encouraged the local teams to flag it to me should they attempt not to do so.

Evidently, not everyone in the participating executive team does as well as the rest and soon there are evident star pupils. If most start by asking for an agreed list of topics for their content and are reluctant to put themselves out there with weekly opinion pieces that they regard as potentially risky, some soon go on to write a lot more often than that.

With more frequent content, there's evidently more and more engagement from the community and they start caring about how they can best propagate it and see it commented on, liked, or retweeted by the very FinTech titans who didn't know they existed a while ago and before they know it, these bankers are now part of the conversation, interested and interesting, involved and caring.

Despite their many initial reservations, they find the community to be open and rather starved of bankers' perspective so ready to engage and that helps in their journey to become a voice in the industry.

I still see some of them on Twitter, at events, or posting on LinkedIn, and it's extremely pleasant to know that the habit of engagement hasn't been lost.

Reward Authenticity and Courage

Nonetheless, the Build a Voice method is not exclusively designed for executive teams in an elitist bubble but rather starts at the top so that it naturally trickles down in the organization.

In one of the banks I've worked with, the culture was one of absolute lack of dialogue, employees never spoke to some of the higher echelons and regarded them with mistrust.

The internal surveys showed over and over again that there was no sense of community, a growing sense of fear to express an opinion, and a certainty that their bank can never achieve any meaningful change so it's unsurprising they were, by enlarge, neither knowing nor interested in what FinTech was.

The head of Digital who brought me in was battling an old mammoth organization who said all the right things in press releases and paid lip service to the usual "customer centricity" and "digital mindset" business jargon but was in effect utterly paralyzed on the inside. He had been brought on from outside of financial services and asked to rethink the digital experience with innovation at the forefront in the wake of the early signs of Open Banking and he had started by speaking to all and sundry to gauge what existed in terms of human capital and knowledge.

He soon realized that if he dug deep enough, there were pockets of interest and talent and assembled a team from various departments but noticed that, save for some exceptions of very young and new employees, the majority was completely out of touch with the world outside of their day-to-day job and knew nary all about FinTech and the community around it.

We decided that the Build a Voice program had to be a double effort in their case and while we started work with the executive team, we also devised a few projects for the newly formed Digital team. We started by telling them that being themselves and expressing it is what they were brought on board for and that we will be adding some never before used "soft KPIs" to their reviews around knowledge and opinion. We asked that they go out there and come back with proposals on where the sources of information are and how to get to it fastest. We also asked that they each pick a Digital role model.

We didn't make it prescriptive in any way, we left it completely open (beyond an evident requirement that they chose somebody from the industry rather than perhaps Taylor Swift) but asked that the team simply identifies someone who has a voice they admire and whose personal brand they most identify with.

We expected this to yield positive results but the way it turned out exceeded those expectations. In a one-day workshop at the end of their research, we watched them passionately debate what should be a daily read, what events they should attend over others to learn what, what books should be read, who employs social media the best, and more. They then revealed who their chosen digital role models were and spoke about them to the rest of the team.

The day ended with an engagement plan for their team to see them get involved in the conversation and eventually meeting some of those role models but when their head of Digital and I reviewed what we gained from the exercise, we were most encouraged by how much engagement and passion we saw from them that day. Well-researched, strongly held, and valiantly defended opinions coupled with a lot of industry knowledge.

All ingredients to see them go on and build amazing customer propositions.

The ROI of Passion, Knowledge, and Courage

Working on the Build a Voice program hasn't magically erased all the ails of this organization (maybe most telling example of that is how HR absolutely and vehemently vetoed the introduction of the authenticity and courage KPIs officially in performance reviews) but it has brought about substantial change and today, they have an engaged executive team with two of the board members avid advocates of all things FinTech and a Digital team that has built a much better experience on the front-end and is actively working at securing a back-end play for the Open Bank scenario which is a lot more than most banks can show for themselves.

While working on creating a habit of engagement and building the courage of conviction and opinion are sine qua non conditions of seeing any meaningful change in the organization, the exact ways to accomplish may vary depending on the needs of the bank and the perception they have of the urgency of that change.

Targeting the executive team first as well as allowing the more nimble teams to flourish are effective in a short amount of time and if the organization is self-aware and introspective enough, they should be used but they aren't an exhaustive list of all the actions that can be done to empower employees to think, learn, and express themselves.

In addition to the external voice building exercises aimed at the wider FinTech community on social media, it's equally important to build the right internal platforms for communication such as intranet pages and forums (such as Facebook for employees that I've seen beautifully implemented by one of the best minds in the industry—Dr. Julia Furedi during her tenure as head of HR at UniCredit Hungary).

What is the ROI of passion, knowledge, and courage? Happier, smarter, more empowered employees who build better banks.

However true this is, it isn't exactly P&L quantifiable and absurd as it may sound to those of us who have intimately grasped it is essential, and banking execs everywhere need to justify their every move with a business case with clear numbers on it and I get asked for numbers all the time.

The only advice I have to those who need to make strategic cultural changes covertly and justify every move in KPIs and hard figures is to fund the Build a Voice program as a cost-saving exercise by showing the increase in productivity in engaged employees or a talent and development HR exercise.

For even more tangible value creation, intrapreneurial challenges such as hackathons and business case competitions are both immensely motivating and creating easily quantifiable results so they should be organized at regular intervals.

Check for updates

CHAPTER 10

Everyone's a Designer

Contents

"Everyone Is a Designer" Workshops

The value of having an organization permeated with the Human Centered Design (HCD) ethos is undeniable and the more people in the bank who think and feel like a designer, the better, that is the reasoning behind this part of my Emotional Banking method where I held "Everyone is a designer" workshops with the most diverse of bank departments.

While of course Innovation and Digital teams are the prime recipients of this, in one bank I've worked with the HR team and in another the exec group and these two instances have been a lot more fulfilling.

The workshop starts with a few design principles but only covers the basics by default to ensure it's not prescriptive. After all, the goal is to stimulate creativity and passion not to introduce yet another restrictive framework.

Once that is out of the way, the rest of the day is a series of hands-on exercises.

One of them typically is structured into quickly understanding client research—an essential part of the design ethos. Participants brainstorm questions and redefine customer segments in ways that make sense and are devoid of jargon. They split in pairs and interview their neighbor "as if this conversation was taking place over a pint" about their needs and wants when it comes to money. After some time, they report what they found.

After that, in larger groups, participants are asked to think back to a time that a major new release or a brand-new feature was brought in and to

D. Blomstrom, *Emotional Banking*,
https://doi.org/10.1007/978-3-319-75653-0_10

imagine what kind of reaction the team who first built that product or experience may have had from the bank's stakeholders when they first proposed it and brought it in for approval.

What would they have said? This is the **"Yes but..." objection game**. The team with most objections as to why something extraordinary can't be done wins.

Hundreds of post-its are being covered with objection after objection and when they read them out loud, they are nearly identical from all the teams.

In addition to the usual suspects of "yes, but" objections—the security, budget or regulation ones—oftentimes we hear some we never even thought of before that suddenly make very likely candidates as objections, in particular those not being said out loud. They are the ones that don't pretend to be objective obstacles why something new can't be introduced in the bank and are instead, the true human motivations behind them such as "yes but if we do this I may lose my job"; "yes but this makes us look bad to the board"; and "yes but I don't like taking risks."

Evidently, no one in that room has heard this articulated but whether they had been on the receiving or the offering end of objections they know these to be intensely true and the reason behind any of the "objective" ones above. This allows participants to consider how many of the obstacles are indeed in place versus how many are the result of excuses made out of fear or lack of care.

It's sobering and often unpleasant but it's an essential part of the workshop.

Next, participants move on to a randomly assigned bank product and are asked to imagine it into a completely different experience—that they are the Digital team of the bank, tasked with redesigning Savings or Current Accounts or Wealth into a vastly different way. What would that mean?

Many an amazing blue-sky ideas have come out of this part of the workshop with people proposing the experience is moved to anything from a voice channel to a SciFi future where it is embedded in telepathic new devices. Nothing with all too immediate of application, but a good indication that everyone perceives the future of banking to be vastly different.

In the last part of the workshop, we finally arrive at my favorite part—the **"Design for Joy" exercise**.

This is based on the characters of a children's movie called inside out. There's anger, disgust, fear, sadness, and joy. They are a representation of all basic human emotions (the only one technically left out by the writers is surprise), and throughout the movie, they are seen leaving the "Headquarters" where they live inside a little girl's head when she experiences a big life change and embark on a series of adventures that metaphorically depict what she is feeling.

We see a trailer of the movie to further clarify the point and so that we put faces to the characters and then participants are asked to take some time to come up with mapping various Money Moments to the various emotions and once completed, to look at the ones where they believe the reaction of the consumer is a negative one such as fear or sadness and think of a way to turn it around and ensure they experience Joy instead.

This is essentially helping them arrive at the principles behind "Good money/Bad money " and then change the course of a bad experience.

An unpleasant encounter with a branch employee when needing to deposit a check that results in them storming off without making the transaction may be overturned to gain a happy customer by sending an apology note inside a self-addressed envelope to their home the next day; the stressful act of paying one's credit card bill may be transformed to a pleasant encounter with the bank when after the payment the customer sees a motivating piece of information such as how much more secure their credit score is thanks to their prompt payment or how much closer to a savings goal they are.

Many utterly wonderful ideas come out of this workshop but the one that remains my favorite was about a customer whose transactions indicate they are going through a tough time such as frequent parking at a hospital is sent a casserole one evening on the bank's expense.

EX Not UX Workshops

If the Everyone is a Designer workshop is aimed at any department of a bank—with one of my banks even planning to roll it out to *all* departments—I felt there was still a gap in another area—the Design and Innovation teams themselves who I saw starting to lose heart and become far too process driven and beaten down by the corporate nature of a bank.

Seeing how it ought to inform a new mentality around the proposition, design thinking, I believe strongly, is destined to become the new strategy at the decision-making table over the next few years when the proposition becomes truly centered around the consumer or doesn't exist at all.

Instead of seeing a firm move toward this, I was seeing Design—and by that I mean all the teams who created propositions—going the opposite direction, further and further from the tables where change could be made, toward a new type of commoditized IT service, confined to a corner where they would decide the exact shade of blue in the new mobile app.

What they were creating was far from reimagining products and building new overall experiences and even business cases which is what they excel at—what they offered was at best "improved" not "new," at best "refined" not "defined," and incremental.

This is of course a terrible waste.

I started thinking of what it would take to address this and return these teams of undeniably creative and smart individuals to their former passionate and deeply empathic value and so I created the **EX vs UX workshops**.

The goal was of course not to teach the teachers and reinvent the wheel by patronizing teams of highly skilled professionals but to have them return to their roots of recognizing the value of deeply and bravely analyzing emotion and reposition their creative process toward enhancing the positive ones and minimizing the negative ones.

In the workshops, we spent time honing attention, observation, and empathy as skills through immersive experiences, open dialogue, exercises, and role play.

We started with laying the foundation by discussing core concepts in psychology around needs, wants, and emotions.

Most of the designers in the room are very familiar with these but have spent enough time in a bank that it no longer comes naturally to them to focus on these core principles so when we discuss them, it is as if they get permission to think human again and they embrace it with invigorated gusto.

Even to them, two days is a long time to talk about feelings. It can get uncomfortable. In fact, the more real we got about personal examples or deeper understanding of someone else's point of view, the more uncomfortable, but ultimately we all knew it is worthwhile to stay in this state of discomfort if it allows you to understand each other and your consumer in ways you wouldn't have done before.

Seeing how I wanted the teams in the workshops to have an emotionally charged experience themselves, I employed props and colors and exercises that often probe deeply into their attitudes and some would argue these are more like group therapy sessions than they are workshops for UX and Design professionals and in a sense that's true.

One of the exercises we employed was a version of IDEO's **Creative Tensions** where participants are asked to physically align themselves along an imaginary line in the room depending on what they believe on a certain issue. Presented with topics that range from mundane questions on matters of general opinion to highly charged political issues, participants show what they believe in by standing as close to their belief as the strength of that belief dictates. The idea behind IDEO's method[1] is to encourage confronting the discomfort while living in one's truth—encouraging conviction of opinion and courage of expression.

We started with innocuous questions that got people warmed up and then escalated to controversial current events topics. This was challenging as workplaces in general—and banks in particular—are so dismissive of strong personal views on matters such as politics with many places treating opinions as an HR sin. In the creative tensions exercise, one doesn't only have to hold an opinion but also have to declare it and physically stand for it—a powerful artifact that forces people to look at each other and wrestle away political correctness and fears for their job safety.

In my version, once the really uncomfortable questions (some about how antiquated their board of directors is) were out of the way, I changed gears to focus on banking-related questions and user stories such as:

[1] Eillie Anzilotti, "Why IDEO's Fred Dust Thinks We Must Rethink the Art of the Dialogue", *www.fastcompany.com*, October 24, 2017, https://www.fastcompany.com/40483243/why-ideos-fred-dust-thinks-we-must-relearn-the-art-of-dialogue.

"I believe my bank knows me"—"Not at all" to "very well,"
"I feel like my bank is helping me make the most of my money"—"Never" to "all the time,"
"My bank serves my needs"—"Never" to "Perfectly, all the time."

These are all questions they would be far more reluctant to answer in what is practically a self-incriminatory fashion—as these are the people who can effect these customer experiences—had they been asked at the beginning or in the absence of the harder topics so when they come at the end of that discomfort, they are welcomed and people answer them truthfully and with haste reminding the designers in the room that change can be easy.

Writing about the experience of the first EX not UX workshops in 2016 I was saying[2]:

> *These teams are typically not where organisations are sick and need therapy, they are vibrant and knowledgeable but even these echelons of creativity are infected with acute corporatitis (also known as infectious organisational paralysis) where they've found themselves half courageous and half passionate and the other half has been muddled into stiff language, agile wireframes and rapid prototyping. The EX workshop is like an intensive course of antibiotics to create enthusiasm and reignite that passion.*
>
> *Everyone should walk out of my EX Workshop a human factor expert with a degree in emotional ergonomics and they will then know how to design their own Wizard of Oz to translate this new confidence in their pre-existent skills into transformative user experience design. IDEO can teach them their Empathic Design method, I only aim to eradicate the corporate culture bacteria that doesn't let them open their hearts and minds to deeply caring about their consumer's feelings.*
>
> *I want them out of there feeling as if they just finished a sauna session (only with more clothes!). Cleansed of the corporate BS and silly Business Prevention Department (JP Nicols TM) objections; relaxed; brave; rejuvenated; supremely passionate and ready to take on the organisation if it won't let them design and innovate to fit their customers' emotions.*
>
> *If we design to create delight and happiness we'll all be better off. I can only hope that one day my 6 year old son wouldn't even know he's banking or that it was a satisfying happy money invisible experience, as he has just sent 200 pounds to his "New Car Deposit" savings account by simply wishing he drove one like the Top Gear one he's watching and approving the transfer with a dreamy nod.*

[2] Duena Blomstrom, "EX Not UX", *www.duenablomstrom.com*, February 8, 2016, https://duenablomstrom.com/2016/02/08/ex-the-antibiotic-to-cure-infectious-organisational-paralysis-in-cx-professionals/.

Effects on Culture

"Design is habitually brought in too late, used simply to paint and decorate products for which the major decisions have already been made. Thus we have products that are easy to build, designed by technically minded people, but that are not desirable or usable." Clive Grinyer director of Orange's Design & Usability Innovation team was saying in 2006.[3] Since then firms like IDEO and Fjord have worked tirelessly to change this and demonstrate the power of HCD being the de facto new management consultancy function in the organizations that are serious about being a strong brand.

Unsurprisingly, in banking we are far from understanding this despite the many times we've heard titans like Brett King passionately appeal that we remember the value of first principles design.

Developed by IDEO founder David Kelley, design thinking is defined as "a human-centered approach to innovation that draws from the designer's toolkit to integrate the needs of people, the possibilities of technology, and the requirements for business success."

Design thinking of course is not about making new stuff at all times but about employing thought and empathy in a completely new way, always focused on possibilities, always seeking to delight and pleasantly surprise, always open to exploring needs and feelings.

"*In its simplest form, design thinking is a process—applicable to all walks of life—of creating new and innovative ideas and solving problems. It is not limited to a specific industry or area of expertise. It can be as effective in technology or education as it may be in services or manufacturing. It could result in new products and services for customers or improved processes and productivity gains for internal operations. If applied with equal fervor, it can even transform HR, finance, marketing, or operations teams—turning them into lean and agile profit centers.*" says Kaan Turnali from SAP.[4]

In attempting to make every banker into a designer and then empower every designer to relentlessly think of consumer's feelings I was attempting, I propose, deeper of inside transformation than most other traditional cultural alteration methods focused on traditional attempts at organizational change.

At the end of my modified creative tensions exercise described above, a powerful statement: "I can affect change in my organisation" with participants free to choose a position on the "No" to "yes" continuum usually sees people—thankfully—overwhelmingly align behind the "yes."

[3] Ben Terrett, "Design Is the New Management Consultancy", *www.noisydecentgraphics.typepad.com*, August 2006, http://noisydecentgraphics.typepad.com/design/2006/08/design_is_the_n.html.

[4] Kaan Turnali, "What Is Design Thinking?", *www.forbes.com*, May 10, 2015, https://www.forbes.com/sites/sap/2015/05/10/what-is-design-thinking/#73db85ad471f.

CHAPTER 11

The Intrapreneur Warrior's Guide

Contents

Changing from the Inside

There is no end to the admiration we all have for entrepreneurs—people who have taken the risk to start a company on their own and try and change the world with their idea or product while—hopefully—turning a profit. We most admire the courage it took to take the risk. But what about those who have not started a company and yet are taking the same risk on the inside?

The term "intrapreneur" is largely attributed to a Newsweek article from 1985 where Steve Jobs said: "The Macintosh team was what is commonly known as Intrapreneurship… a group of people going, in essence, back to the garage but in a large company" of his adventure to create "the Mac" in a separate entity that was viewed by higher management and investors as a group "allowed to play without adult supervision."

The term in itself was actually coined by Professor H. E. Haller[1] who now heads the Intrapreneurship Institute in 1982 in his PhD thesis about internal innovation in another computer company but irrespective of its origins; the term depicts the act of changing an organization from within to achieve extraordinarily positive results.

Aside from Apple, some of the most iconic staples of our times from the post-it notes to the PlayStation, Gmail, and even the Like button were

[1] Dr. H. E. Haller, "Steve Jobs: The Ultimate Intrapreneur", *www.intrapreneurshipinstitute.com*, 2003, http://www.intrapreneurshipinstitute.com/intrapreneurship-case-studies/steve-jobs-the-ultimate-intrapreneur-and-entrepreneur/.

D. Blomstrom, *Emotional Banking*,
https://doi.org/10.1007/978-3-319-75653-0_11

created by intrapreneurs and countless more changes have undoubtedly remained unsung but impactful to the organization nonetheless.

Earlier in this book, we mentioned "Banking Heroes"—people like Michael Harte (formerly with CBA now with Barclays) or Michal Panowicz (former mBank now with Kreditech) are undoubtedly amazing examples of intrapreneurs who have achieved great things while being "inside the belly of the beast." There are many others like them, and Emotional Banking is dedicated to finding and empowering them.

J. P. Nicols' Serial Intrapreneur Podcast

One of my most favorite people in the industry is J. P. Nicols. An ex-banker, J. P. has spent the past 20 years as a true "agent of change" both while on the inside and as he carved his own successful path by consulting on innovation and enabling deep change in the industry.

Personally, I have always fiercely admired J. P.—his wisdom, his manner, his resoluteness, and his courage are singular—and so I was utterly delighted to hear he has started a new podcast called "The Serial intrapreneur"[2] aimed at showcasing those who are fighting for change within the industry whether in banks or big organizations.

He has kindly agreed to give us his perspective on why for this book and I can only hope anyone reading this makes it a habit to listen to the podcast religiously.

"*We rightly celebrate the struggles of startups and their brave founders, but it can be tough working in a bigger company too. Where powerful corporate antibodies seek and destroy new ideas that don't conform to the conventional culture. But some leaders battle the status quo inside their companies to innovate and drive change. I launched the Serial intrapreneur podcast to tell their stories, and now I'm working on a book with the same title.*

I spent 20 years helping to grow a regional bank in the midwestern U.S. from $6 billion in assets to over $400 billion, and from a market capitalization of a few hundred million dollars to over sixty billion. The sleepy bank that had taken 130 years to grow from zero to $6 billion, was now sustaining 20% + annual compound growth over two straight decades.

What changed? The leadership team changed. A team of talented, motivated—and I must say, impatient— intrapreneurs had taken the reins.

I wish there were more stories of enlightened boards and executive teams who took it upon themselves to spark transformational change with little obvious external impetus to drive their urgency. This is not one of those stories.

[2] J. P. Nicols, "Serial intrapreneur", *www.provoke.fm*, September 2017, https://provoke.fm/show/serial-intrapreneur/.

A hated crosstown rival had been growing much faster for years, and they had made a dramatic and unexpected takeover bid. The board realized that if the bank were to remain independent, new leadership and a new culture would be needed. The kindly and genteel CEO who had been steering the steady, if slow, ship was replaced with a new one who was more interested in seeing how fast she could go.

The old management team and culture valued encyclopedic knowledge of arcane internal rules and procedures, and I was appropriately considered a moderately adequate manager. The new management team encouraged us to run our business units as if we owned them ourselves, and I was soon being given larger and larger roles and broader responsibility. I was a frustrated intrapreneur myself, and now the shackles of bureaucracy had suddenly been considerably loosened.

It was still a bank though. The kind of personalities that go into banking, stay in banking, and get promoted in banking, tend to be those who generally like to avoid risk. That only makes sense, and it was especially true here. We had a lot of people with words like "risk" and "legal" and "compliance" in the job titles, just like every other bank.

And for good reason. Every single failed financial institution on the planet that I know of have all failed in similar ways. They all took on too much risk in some fashion. But it's also a paradox, because the conservative and risk-averse bank I was working for was close to failure in a different way. If the crosstown merger had taken place, it literally would not have existed any longer. That failure would have cost thousands of careful and diligent people their jobs through massive layoffs.

The whole experience taught me that being an intrapreneur really was about approaching your job like you owned the company. That includes managing risks and expenses just as much as driving growth and innovation. Most entrepreneurs do not start out with piles of cash. They usually scrape together very limited resources to bootstrap their early days, and if they make it to the next level, venture capital is usually earmarked only for things that will help the company grow (at least outside of insane funding bubbles).

It is easier for employees of larger companies to become complacent. Their steady paycheck rewards neither the judicious use of limited resources nor the taking of reasonable risks to try new ideas. The larger the company, the more people are needed just to maintain the status quo. And all too often, fewer people focused on finding new sources of growth.

Like many intrapreneurs, I eventually became an entrepreneur. Some intrapreneurs work themselves out of a job when the things they've built become so big that they need their own bureaucracy to keep them going. Others get frustrated when *internal bureaucracies devolve into what I like to call "the business prevention department". It's where all new ideas die their internal deaths. Some just need to really run a business of their own. Call their own shots and manage themselves through the consequences.*

It was some of all of the above for me. I have now spent the last five years working at the intersection of traditional financial institutions and the more entrepreneurial fintech world, and what strange bedfellows they make. I love meeting startup founders and working with early stage companies, and they have their own paradox. Most want to scale their companies to get bigger, much bigger. But as they grow, they need to establish rules and procedures and policies and systems to manage risk and protect what they have built, and they will end up needing to hire some of those more risk-averse people to help them.

I've never lost my admiration for intrapreneurs, and I have made it my mission to help them to innovate and create change inside their own companies. intrapreneurs need to explore, not just execute, and the skills needed to innovate effectively are very different than those needed to manage a mature business. I love giving them the skills, the tools, and the frameworks they need to test and learn from new ideas.

My favorite thing to hear is that I have inspired an inner intrapreneur to come out in someone who didn't know it even existed. I'll keep sharing their stories to inspire even more serial intrapreneurs."

Dos and Don'ts for the Intrapreneur Warrior

Any self-respecting company should aim to build an internal culture that fosters Intrapreneurship, but this chapter is intended for the intrapreneur warriors themselves, so it's only fitting to include some very practical advice:

DO prevent vision leak—Keep an eye on the North Star of what you're trying to build. Remind yourself and your team (and other stakeholders) every chance you get what the higher purpose is. Being a broken record is not pleasant but is necessary.

DO engage and align with all players—Schedule regular engagement if you must with important stakeholders, don't leave it to chance—I personally have a Trello board and reminders of periodicity as the more complex the organization, the harder it is to keep track of all stakeholders but reaching them all is imperative.

DON'T try to transform into a NGO—No matter how noble your purpose for change, this has to remain a commercial enterprise and your eye should be on the numbers. Be sure you're feeling valued by your incentivization and always fight for the highest number you can have. Cheap doesn't sell you to management and doesn't help your approval ratings.

DON'T kill yourself by doing more and doing harder alone—This is not a multilevel game. You don't always have to win. You don't always have to finish EVERY task on your to-do at any cost. The "oh she/he is such a hero and running twice as fast as us pleb!" will never happen, and the statue will never be erected. You'll skew the velocity of the team and kill yourself in the process.

DO remember that work/life balance is not a myth—To go the distance and to apply yourself for the long run, it's a must that you take care of your happy place. Being a workaholic is not as good as being a lifeaholic and including work in it.

DO "remember the humanity"—When your organization frustrates you beyond belief, it's easy to be regarding those in your team as mere clogs in a dysfunctional system and part of the problem but that doesn't help. This is a time to forget the North Star and remember something good about each of the people you are building with.

DO create (or at least advocate) workplace "psychological safety"—Read about the findings of the Google Aristotel project[3] studying efficient teams to justify permission to fail and fail fast to yourself and management.

DON'T try to do "leadership by numbers"—Be who you are, there's no one model that works for all organizations. Different management styles work for different types of teams so as long as we keep up the essence of being decent and kind at the core, the structure around process and communication can and should vary.

DON'T mind the naysayers—The countless critics and doomsday advocates that will try to prevent you from succeeding will always be there. Pleasing everyone is not a real consideration to the true intrapreneur warrior, but it is still tempting at times.

DO continue to push yourself and ask if you're the best version of what you can be—Are you fast enough? Are you agile enough? Are you keeping your courage meter up? Is this the best version of what you can be? Don't be afraid to be a perfectionist.

DO keep on investing into build your own brand—Be willing to be fired at a moment's notice to retain the courage that makes you valuable.

[3]Charles Duhigg, "What Google Learned from Its Quest to Build the Perfect Team", *www.nytimes.com*, February 26, 2016, https://www.nytimes.com/2016/02/28/magazine/what-google-learned-from-its-quest-to-build-the-perfect-team.html.

DO “make the thing”—Create it. Whether a product, a prototype, or simply new wording, make it happen and show it around at least as a visual artifact of what you are trying to accomplish on the way to your North Star.

DO ask for forgiveness, not permission—When you make things and you change things, you upset the status quo and inevitably there will be those who will try to stop you at every corner so at times, despite the alignment and the vision communication in order to “make the thing” you’ll have to be willing to be chastised for the initiative.

Check for updates

CHAPTER 12

The "Keep it Real" Program

Contents

Why Language Matters

All parts of my Emotional Banking™ method detailed in this book are designed to achieve clear, tangible results that will allow banks to move ahead in meaningful ways, yet of all of them, and the "Keep it Real" Program is the most pragmatic one that will yield immediate effects.

As is the case with the "Build a Voice" Program, implementing this part of the method can be easier if done with the help and coordination of a change facilitator from one of the accredited consultancies, but it can also be done with internal resources such as those focused on culture, digital transformation, design, or even internal communication but above all HR.

HR is again where I found the best and most natural advocates when I have first started experimenting with designing this method a few years ago.

In both banks that I have used as testing ground to develop the method, there was a fair and natural amount of resistance that amplified for this part of the program as I was proposing a rather radical set of measures.

There is a very simple driver behind this part of the method: We no longer speak English (slash local language) when we speak to each other in banks. We have become dependent on consulting wooden language mired in acronyms, and unless we find a way to reverse this, we are not going to be able to progress in anything we attempt because of utter lack of real communication.

D. Blomstrom, *Emotional Banking*,
https://doi.org/10.1007/978-3-319-75653-0_12

Most people in banking would agree with that. The interminable meetings only made more insufferable by how no one is speaking their mind but hides behind meaningless words. The e-mail chains where no one is trying to make a point. The discussions so mired with pompous consultancy language they cease to attempt resolution or action. The business language bingo. The increasingly absurd acronyms.

> "(…) firms like Bain, McKinsey, and Boston Consulting Group (…) did develop distinctive, pseudo-scientific language to pitch themselves to clients. "They all had to come up with something new," says John Van Maanen, a management professor at MIT" Emma Green—*The Atlantic*, "The Origins of Office Speak"[1]

All of these are realities for most big organizations' businesses, and they impede progress and taint culture, but in the case of banking, the stakes are higher solely because of the "Consumer debt" and the complicated nature of the organization that we discussed in previous chapters.

In other words, unless banks relearn open and honest communication fast, they will find it impossible to debate and create in time to win the relationship-grabbing race against other organizations that have no such internal issues.

It's this time crunch that makes fixing the lack of communication that the language perversion brought about, even harder. The higher the urgency, the more extreme my methods had to be. There simply is not time for incremental change in banking.

"Keep it Real"—Workshops

The first of the measures was the "**WHUT?!? Say it back in English**" exercise.

The "**Tight and Meaningful**" exercise came next, and then the "**Swearing competition**", and finally, in one bank, the implementation of the "**BS Alert**" button on the intraweb—where employees could anonymously vote for whether their colleagues said what they meant and "Kept it real" or not.

These three became the parts of a full-day workshop I did with various teams in these two banks starting at the top with the ExCo team and working my way down to head of departments then several of the business-oriented departments in themselves.

As with the Build a Voice program, starting as high up in the existing hierarchy is the only way to ensure buy-in in banks, so it's extremely important in all programs of the Emotional Banking™ method, but no part is more evidently in more stringent needs to be applied to the top management than this.

[1] Emma Green, "The Origins of Office Speak", *www.theatlantic.com*, April 24, 2014, https://www.theatlantic.com/business/archive/2014/04/business-speak/361135/.

Those in the top positions of banks are the ones most exposed to the wooden consulting language, the ones most used to the heavy acronyms of the various prestigious business schools, and crucially, the ones most plagued by negative reinforcement in terms of personal professional motivation who feel they have to upkeep the lack of meaning as part of the status quo of their positions.

They are, therefore, most in need of a reset. Of a set of measures that teaches them, they have ample permission to say what they mean and use plain language to do so without losing authority or professional decorum.

One of the first things I asked the "Keep it Real" program participants to do is constantly revert to asking themselves "**How would they say this at the hip and trendy tech giant du jour?**"

Even though none of us in the room had worked with them before, everyone of us in the room instantly knew that the way they employ language so they convey ideas is vastly different than the way it sounds in banks' boardrooms.

When I explained this principle, I started by asking those in the workshop to contribute words of how they think their internal chatter is "better." Repeatedly, the results I get feature adjectives such as "clear," "open," "natural," "flexible," "honest," "un-PC," and "frank,".

We then filled up a board with them and then I reminded them I asked them for ways in which it is "better" not ways in which it is "different," and no one challenged me on that. Evidently, they immediately understood that it was manipulative, but they are extremely accepting of it as it provides a positive bias. I asked them to keep this in mind for our bit on political correctness later in the workshop.

This part obviously also outlines that the participants are intensely aware of the intrinsic communication problem they face in their day-to-day business life and have been frustrated by the differences between their bank and the way they imagine a successful modern technology company is behaving behind closed doors.

Whether this impression of the potential difference is entirely correct or not, it hardly matters as long as everyone keeps the perceived degree of variation in mind as a useful corrector when they revert to their existent communication habits themselves, or they hear or read their colleagues doing it.

When dealing with something as deeply ingrained as the belief that professionalism requires a certain set of terms to be considered valuable and those must be as far from plain language as possible, it's crucial there is a focus on self-correction when intervening.

"Whut? Say It Back in English"

In the "Whut?!? Say it back in English" exercise, aside from the "how would they say it at the trendy tech giant?" we also spent an hour where each participant read out loud a phrase which is evidently stuffy and filled with meaningless pretentious language and was then asked to "explain it to your 17 year old."

The reason we didn't use the over-chiche-ed mythical 5-year-old is that it's much easier to dumb the overly complicated phrase out and thus leave out meaning, whereas if one thinks they are addressing a young adult, they know they have a duty to extract the real essence of the message and relay it in terms that aren't perverted by time passing or business constraints.

> *"Jargon masks real meaning,"* says Jennifer Chatman, management professor at the University of California-Berkeley's Haas School of Business. *"People use it as a substitute for thinking hard and clearly about their goals and the direction that they want to give others."*[2]

Once they were done, I revealed that the snippets used had been lifted right off the bank's annual report much to the mixed delight and horror of the audience.

"Tight and Meaningful"

That generally sets the audience up for the right frame of mind, openly critical and willing to execute on change and that's needed for the second part of the workshop where we attempt to simply write better copy.

I started this part of the workshops with writing the following on a whiteboard (flip chart or even wall in the hip-and-trendy innovation centers)

$ VERBOSE = nil #

I asked people what it means, and without a trace of a developer in the room and while conscious that it's likely infuriating to those in the know, we all end up nodding and agreeing that it likely means something around the fact that one shouldn't use too many words.

Now evidently, for those of you (if any!) reading this that know it's only a fraction of a command, it's in Ruby or JSON and it's meant to introduce or exclude some class or such, let me be clear I don't know what it really stands for and that's not because of being lazy but by design.

I came across it during my research for this section of the workshop while I was looking for inspiration on ways to help the participants understand the value of shortening the message and using fewer—and (hopefully) meaningful—words. As soon as I saw it, my mind went into non-tech red alert "Code! Run!" but as soon as I looked at the words it settled into the meaning we all agreed on above, and I concluded it meant it will clean up the rest of the code that followed it, trimming it, and making it concise.

[2] Matthew MacLachlan, "It's Time to Speak Clearly and Ditch the Jargon!", *www.communicaid.com*, January 25, 2016, https://www.communicaid.com/communication-skills/blog/communication-skills/speak-clearly-ditch-jargon/.

		Word count	Cost to translate into 1 language ($0.25/word)	25 languages	x 10,000 sentences (Harry Potter novel)
BEFORE	Write when there is something that you know; and not before; and not too damned much after.	17	$4.25	$106.25	$1,062,500.00
AFTER	Write when you know something, not before, and not too damned much after.	13	$3.25	$81.25	$812,500.00
	Savings	24%	$1.00	$25.00	$250,000.00

Fig. 12.1 Economy of words, in USD (*Source* Writing.Rocks)

While I love being right, in this particular instance that's largely irrelevant. What counts is that I looked at 3 symbols and 2 words and made up an entire story in my head from it. It had indeed nil verbosity and yet I made sense of it. What's best, others who equally had no bias arrived at the same independently verifying my empirical impression.

In a way, the complicity and vulnerability of being so uneducated in this topic is helping open the minds of the participants even further so please don't anyone who knows tell us what that thing really means.

Amateur programmer moment out of the way, we continued by using an extraordinary online tool I found, created by an amazing (and mighty funny) writer[3] who had had enough of poorly written, long-winded prose.

Her name is Marcia Riefer Johnston, and she has written—in addition to an excellent book on how to write powerful sentence and paragraphs called WordUp![4]—a book called "You can say that again" containing examples of hundreds of times we routinely employ pleonasms in our day-to-day writing and has even went as far as to quantify that in money since it seemed to be the most effective measurement (Fig. 12.1).

In the workshop, we started with Marcia's now retired, genius "Tighten This! Weekly Challenge" for a few examples such as this phrase: "*There remains a lot of confusion about what buyer personas are and aren't and how to develop them*" tightened by the winner to this "*What is a buyer persona, and how do I create one?*"

This next one hits closer to home starting from "*The successful candidate will be the key leader and customer advocate working closely with the Strategic Account and Sales Leaders across J&J to facilitate execution against strategic account terms, interface with account management executives and sales leaders*

[3] Marcia Riefer Johnston, "Bio", *www.writing.rocks.com*, 2007, http://writing.rocks/marcia-riefer-johnston-bio/.

[4] Marcia Riefer Johnston, "Word Up!", Northwest Brainstorms Publishing, 2013, ISBN 9780985820305.

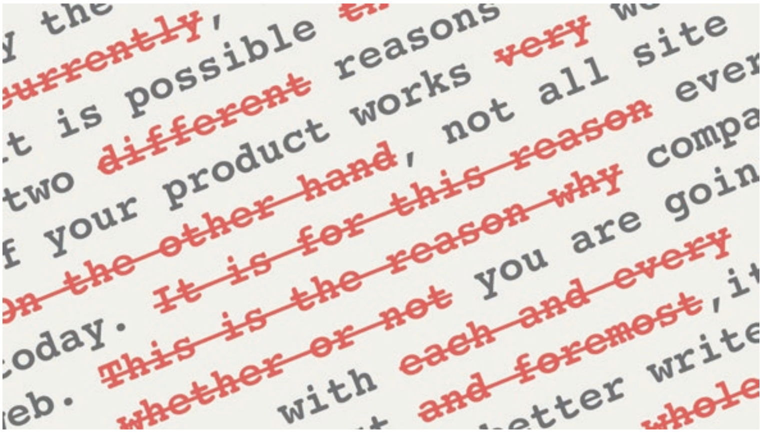

Fig. 12.2 Economy of words, in USD (*Source* Marcia Riefer Johnson)

enterprise-wide to align and deliver high quality service and value, ensure coordinated execution of customer solutions through clinical and economic services and programs, and facilitate the management of and coordinate direct sales personnel and resources."—and tightened to this "*Job description: internal consultant responsible for helping sales, support, and account management teams coordinate their activities.*"

We then move onto using the bank's official Web site for examples at first and then move onto the parts of the customer experience that are post login. How the bank *really* talks to its consumers inside the online or the mobile app (Fig. 12.2).

Very soon, it becomes clear that not one phrase written is beyond help when ran through the tool and it's a shocking realization to see nothing is written as it is meant. That once you shorten it and scrutinize it for retaining the heart of the real meaning, that the messaging becomes very different.

An amazingly interesting moment in both these workshops has been when at the end of the exercise above the tone of the reactions changes.

First, the adverbs and adjectives change. The wording goes from the tentative "Oh, **maybe** we should…" to the resolute "We **absolutely** should…" The largest shift in tone is due to how the verbs change—the "should" is replaced by "must" and even "ought to" when speaking about the many ways in which the bank's language has to change.

It is nothing short of exhilarating to witness how bankers now have clear impetus in their discourse and feel motivated and ready for change and with that revolutionary spirit at heart we start the last part of the workshop which typically commences in the bank and continues over a pint at the local pub.

The Swearing Competition

Despite the openness we had just witnessed before, there is a general sense of cringe and dread that's palpable in the audience as I explain the principles of the last part of our exercise, the Swearing Competition.

Five randomly chosen participants are meant to stand, grab a marker, and write the top 5 swear words they can think of on the board. A competition is to follow.

Uncomfortable side glances and sniggers out of the way, it starts slow chiefly exhausting the list of bad words kids call each other on the playground within the first two participants and by the third, they run out of cutesy ones and have to resort to writing more adult usual swear words.

With all five participants done, the board is usually filled with profanity. The competition consists of whoever can think of most other, unmentioned insults and swear words and write them down in 90 seconds.

Tens more are put forward but what's mesmerizing about this exercise is to witness the light-hearted fun and sense of bonding the participants exhibit at the end of it, when the new swear words they thought of are read out loud. Most are not crass or unpleasant but fun, creative, local to their own cultures, incomprehensible at times.

The "Swearing Competition" is designed to be slightly uncomfortable to better underline how important it is to break down language taboos and truly communicate and while hard to quantify its impact, it is a pivotal part for the success of the "Keep it real" workshop and method.

It's at the end of one of these exercises, pint in hand at the local pub that one of the banks came up with the "No BS button" that they then trialed on their bank's intraweb. Each post was fitted with a tab akin to the "report abuse" one called "Report BS" where users who read something they believed didn't mean anything or was written in corporate talk could send anonymous feedback to the organizers. There was no tallying of votes, no naming of the entries with most BS potential but the mere implementation of the button was meant to deter people from writing mindless things or reposting irrelevant, wooden lingoed entries.

Sadly, before I could receive any metrics on how well that may have worked out, the intraweb tool they were using was replaced, and the button vanished with it so if anyone reading this cares to revive it and try this out, please let me know and I'll let the other bank's creating team know, they would love to hear how their idea worked out in practice.

The Board Meeting That Could

The crowning jewel of all these efforts is utterly anecdotal, and I wish there was a way in which I could verify its veracity.

Two months after my last workshop for one of the big European banks, I received a call from one of the participants. They were exhilaratingly amused by something that had happened a few days prior.

Himself and another participant were both attending a board meeting. They both had mentioned them in our workshop in fact, as examples of typically meaningless drivel that felt like time utterly wasted and were not looking forward to this one in particular.

Apparently, 90 minutes into it, the other participant raised his hand and said:

> "You'll have to forgive me for pointing this out but I literally can't take this anymore"
> The audience turned their attention toward him.
> "I'm sorry but we've spent an hour and a half talking about absolutely nothing and nodding expertly!"
> Raised eyebrows.
> "We have to start calling spades, spades and get to the real issues, we have pressing issues to discuss, we're not here to waste time"

And according to my caller, the indignant reaction went on for another few minutes to the shock and consternation of the audience until, seemingly in an attempt to diffuse any potential conflict and brighten the mood, the youngest member of the board interjected asking the audience if they had seen a funny Internet clip about "Stuff Business People Say."

Some of you reading this would have seen it—it's by Trip & Tyler who have also created the hilarious "Every conference call ever" and "Corporate Seals" and it consists of nothing but 2 minutes of meaningless business jargon. The board member pulled it on the conference room's screen and after everyone watched in stony silence with nothing more than the occasional semi-smile the chairman called for a coffee break.

On their return to the room, with no comment or reference to what has happened before, the chairman turns to my ex-participant and says "Right, let's cut the BS, you said 'pressing issues'—what's happening?"

Evidently, I have no way of knowing what really transpired in that room or really, if that call for action ever amounted to anything, but if it happened as my informant claims that it did, that's a really powerful proof point for change in how language breeds passion.

From Workshops to a Program—A Must

When I realised I am going to make the move back to technology, I started looking for consultancies I could work with so that they take the Emotional Banking organisational change program further. At this point I found that this was the most controversial part of the program.

When it came to the other methods, the “Build a Voice” program, the “Everyone’s a designer” workshop, etc., were all crystal clear and agreed as essential.

The “Keep it real” workshop was scrutinized and questioned. It seemed that the larger the wig of the consultancy, the less comfortable they were with the idea of including this. Here I was, advocating this is the section that needs most hands-on follow-up and development, that it needs to be transformed into a clear plan to aid and monitor the bank in upholding their promise to change meaningless jargon to effective communication, and there they were asking what exact numbers could I bring in support of the theory that this could be transformational long term.

It caused me to spend quite some time down the rabbit hole of trying to prove that what we all know to be true—the lack of effective, real, honest conversation is damaging to our best intentions of building better customer propositions—is indeed so and can be quantified in numbers.

After a while, I’ve decided to abandon that route and simply insist on the workshop as sine qua non condition of implementing the program because in resisting this, theirs was the same affliction we were trying to fight with this—fear of real communication.

The title in itself, debated in much the same way in which banks used to regard me when I employed words such as “feelings” or “fun,” seemed to make these consultancies so uncomfortable it could only mean it’s starting to work!

When one consultancy challenged me with an indignant: “We understand what you are trying to achieve with this Mrs. Blomstrom but we find it can be misconstrued as a means to instill honest discourse that was not previously in place in the respective bank’s organisation” all I could say was “EXACTLY! The Keep it Real program is a contract to honesty and true communication. You’ll be their SLA.”

Conclusion

In the beginning, my journey was solely powered by personal and professional indignation that banks don't spend money on finding out what consumers really feel and giving it to them.

My perspective shifted over the years toward the understanding of why this is, and it all comes back to systemic ignorance about the power of branding and the culture that enables the ignorance.

I have learned, in utter consternation, that banks have no interest in being a serious brand like every other consumer business does.

I've then learned why this is, and dissected the perceived utter absence of imperative that comes from a lack of mobility that no other industry has the luxury to experience.

Next up I questioned how banks can be nigh on blind to the imminent changes in the industry—the peer-to-peer plays, the Internet players, the experience layers, the technology giants dabbling in financial services, and the new challengers. How they justified ~~being able to afford more of~~ the lack of care to the way their clients really felt about their money.

Insight is all but absent in the industry. We seem to never learn anything new. The same dusty statistical tidbits about amounts of toothbrushes versus mobile phones in the world are repeated over and over again.

And it isn't only the establishment being guilty of it. Of the initial (as undoubtedly they are even more today) 27 UK founders and CEOs of challenger banks the FCA has reviewed and that I've heard speaking in public or private contexts, do you know how many have had any revelation to share about consumers? If not, "I've found the holy grail of savings" at least a "We saw huge anxiety when they tap in the overdraft so we change the colour of the app and the language to reassure."

You guessed it. Not one.

D. Blomstrom, *Emotional Banking*,
https://doi.org/10.1007/978-3-319-75653-0

The incumbents blame the immutable inertia created by tens of years of patched, spaghetti-like back-end systems, for their paralysis in real interest of what would truly make consumers' lives better from the money point of view.

If only they started all over, they say. The challengers don't blame anything as they won't admit it, but suffer from the same unwillingness because of natural constraints of being at the beginning and having to start proving their case. If only they had systems and mass, they think.

Meanwhile, the protagonist of the consumer-centric mantra falls in between and gets what is, for all our FinTech sins, a flat design version of their online banking of 3–4 years ago topped off with an ever-growing dread of customer support and mistrust in its uptime and an ever more futuristic in design cow-webbed branch.

It isn't just the banks (big or small) either. We're all guilty of it in the industry. We write articles, go to industry events, and pat ourselves on the back for beginning to understand AI and Blockchain, but we allow basic customer research to not happen anymore. We say it politely when we should allow ourselves to be alarmed and shake every banker we ever meet into action. We hear no revelations about consumer behavior about their money, but we accept that what they really want is a new currency in identity and disruptive data and trust models. We have no serious interest in how to modify virtuous monetary behavior, but we wave the "millennials want instant access to information" flag as if we came up with that nugget ourselves.

Here's the thing, we all agree the status quo won't hold.

We all know you could become pipes (and that goes for challenger banks as well when it comes to invisible banking). We're up against companies who get experience intimately, have brand, have people, have an obsession with understanding the consumer and don't have to lie about it. We absolutely must shake the lip service, the convoluted meaningless language, the excuses about too much legacy or too little funding, and the hope that these other guys "would never enter banking, why would they?" because at this rate, our lying amounts to such abuse of the consumer they may enter banking as sheer compassionate charity and not in the hopes of turning a profit.

I've recently come across an article by Ron Shevlin about Financial Services Firms being "emotionally tone deaf." You could have knocked me over with a feather! I'm one of Ron's biggest fans and I had thought I read most of what he wrote over the years, but here I am not having read something that goes straight to the core of what I advocate.

I may not agree with the exact definition of the emotions a bank should investigate according to Ron but that's irrelevant, what counts is that Ron was saying this in 2008!

TWO. THOUSAND. AND. EIGHT.

A well-respected analyst. Speaking to banks from a worldwide, well-respected digital platform such as TheFinancialBrand. Even making it a point to outline that not paying attention to the blind spot will see numbers suffer.

In true Ron Shevlin tradition, solid banker-carrot-and-stick—research translated into numbers meant to either inspire or terrify.

Surely that should have even moved the needle before I got there in 2010 and did encounter the desert land of utter lack of research or indeed any true intent to study consumers' feelings about their money. And if not that, surely that needle is moved now, nearly 10 years later.

For the record, this is not about attribution—Ron Shevlin and Chris Skinner and all the other handful of thinkers who arrived in the industry and started writing and turning things into their heads long before I did, had already started to conclude banks were doing their consumers an injustice by not examining their emotions while shortchanging themselves in the process. We've all invented the same wheel. We just said it differently, at different moments of time and proposed different solutions.

One could argue the FinTech titans only pulled alarm signals and wrote things about it before returning to all the other facets of the industry they focus on but didn't provide a path to make it worthwhile. But others who took this seriously, did.

There are Human Centered Design (HCD) and CX firms out there—few and far between as they'd rather focus on industries who care such as retail—who have been fighting to explain the core of designing for experience and feeling; there are even valiant bankers taking it to heart such as the extraordinary Louise Long at NAB and modesty aside, my own work to get banks to recognize the value of being a brand and then show them concrete ways to change the culture to accomplish that, as I've done over the past few years with the Emotional Banking™ methods, has made a dent.

And it's all going to get better, too. The discourse is turning toward "people not tech" across the board which is amazingly positive. Finally.

Still here we are. Nearly 10 years later, at best collectively mildly titillated intellectually by the idea that we should do more to focus on emotions but self-congratulatory that we just haven't gotten around to the fluffy stuff yet, that we've all been serious and doing numbers and tech for day jobs instead.

The industry is chock full of people who like to proclaim themselves as "doers," but when it comes to the aggregate of what we've accomplished in not being "emotionally tone death" as Ron was accusing us of 10 years ago, the sum total is that we've done nothing.

We've accomplished nothing. We've taken exactly zero honest, deep looks into the psyche of a consumer we are asking to buy life-altering products from us.

Incumbents and challengers alike the world over, there is not one example in the industry of a bank having created at least one Money Moment that was a feelings-driven experience—contextual, emotionally charged, significant and addictive—and not just another repackaged financial product.

Who here, reading this, can say they've had any moment with their bank where they felt a surge of positive reaction other than gratitude that it was not as painful as they anticipated or experienced in the past?

One where you could say "Ah! I didn't even realize there was a financial product or transaction behind this moment of my life! My bank just served my actual needs and it was pleasant!" They didn't because they still don't know what the need is, what the feeling they need to enhance or inhibit is. And I wonder if they'll ever bother finding out.

We live in an interesting time. In terms of CX for banking, something tells me it's both too late and too early. Our kids will think of banking as we know it as we think of dial-up Internet or landline phones.

I do believe they will have the seamlessly pleasant Invisible Banking experience our banks are unable to create for us, but it requires a blank slate to really do away with all existent banking products as we know them and design for truly investigated consumer emotions and people with brains, courage, and passion to do so.

One could argue it all boils down to which company, whether they are in financial services today or not—and my money is on "not"—has enough of those and the common sense to let their people get on with it already.

When I left the "doing" world of FinTech a couple of years ago, it was to focus on the concept of Emotional Banking—design methods that work to help banks succeed and write the book.

Having accomplished that and wrapped up this book and the method that it describes, it was clearly time to go back to the "leverage FinTech" bit.

I knew I wanted to stay at the intersection of CX, UX, tech, and finance and that I needed to be sure I'll be using my "a-ha" cultural and industry moments while seeing rapid change at scale as banks are running out of time.

I also knew I couldn't have dealt with the cognitive dissonance of being an actual banker and having to be patient about change, and anyhow, the offers from them were few and far between, I'm not exactly an evident, politically correct, and culturally comfortable hire for any bank.

Lastly, I knew that having been very lucky thus far in my career, I'm forever spoiled and couldn't work for any company I don't believe in and respect, which ruled out a lot of the offers from some big names.

So I accepted an offer from a well-known back-end provider (Temenos) chiefly because it is a product company—that automatically makes them "doers" (a highly IQed bunch of them at that!).

Additionally, their main offering is so pivotal and core to any bank's DNA that courage to tackle big themes like new business models and real transformation is built into every interaction they have and they are essentially a FinTech success story in its own right—it's a relatively young company that did nothing but software for banks and absolutely won at every imaginable KPI while staying focused on still being start-uppy in culture and fanatic about brand.

There's no doubt that many banks have a dual problem—an antiquated back-end and a sluggish, unexciting front-end—and that changing each of these elements is as urgent as each other as there is simply is no more time for banks to be half-pregnant with the idea of innovation by checking what FinTech providers fit into their vision through half-baked POCs at the end of an accelerator cohort or on the back of an innovation-lab-ran RFP.

They need speed and the company I joined gives them that.

Ours is an industry where the gap between what the consumer wants and what the consumer gets is so wide, it doesn't bear thinking about what they are forced to make do with "now," so we must build the "next" and the "better" fast.

Banks that now have the appetite to become a brand, the methods to culturally adapt around accepting that change has to be profound and fast, and an execution path to make that change stand a fighting chance to build it.

The Emotional Banking method I've tested and laid out in this book is far from exhaustive, I expect it to blossom and I'm excited about seeing it implemented in the banks that need it, and witnessing its success.

I know it will yield profound impact for the banks who take it on.

Retail banks can still win the battle for the consumer. All they need to do is grow in knowledge, courage, and passion.

Index

D. Blomstrom, *Emotional Banking*,
https://doi.org/10.1007/978-3-319-75653-0