

remove friction from new account opening to drive deposit growth

While the volume of new deposit accounts opened per branch is on the decline, Chime, the largest neo-bank in the U.S., proves a user-friendly and well-designed digital account opening process is key to deposit success. Chime has over 12 million active accounts and an estimated 30.7% account growth for this year.¹

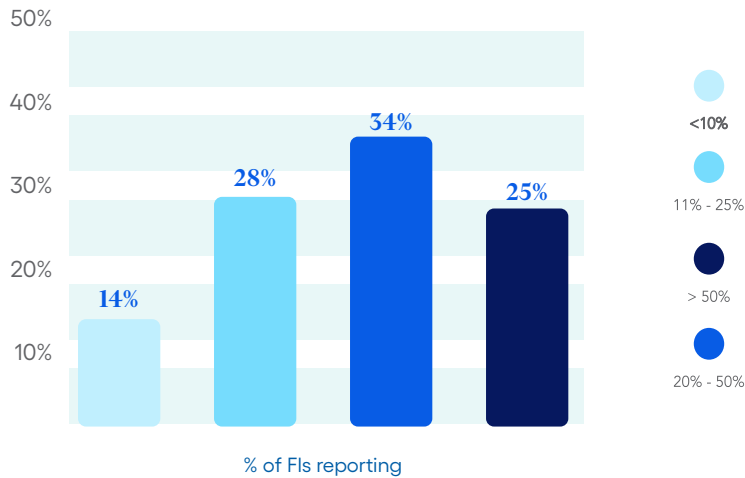
In addition to being the most important strategic priority over the next two years, growing deposits is also considered the most difficult priority to achieve². Furthermore, the smaller the financial institution, the more difficult growing deposits are perceived to be.

Unfortunately, more than one-quarter of mainstream banks and credit unions are seeing over 50% of their online account applications abandoned, with another one-third losing 26%-50% of potential new accounts.³ For community and regional financial institutions, the key to combatting abandoned account applications is providing a fast, seamless digital account opening experience.

Some banks and credit unions simply need to add an online element to their existing analog processes. While still requiring physical signature cards and the same Know Your Customer (KYC) and Customer Identification Program (CIP) processes, reconsidering your approach and looking for a technology provider that offers a solid balance of security and account holder ease of use can create a huge impact on your financial institution and account opening process.



Over the past year, what is the abandonment rate for deposit applications started in digital channels?



To streamline your application experience, consider implementing:

- Account opening platforms with configurable workflows.** The ability to configure a variety of workflows for different products, account types, and other relevant applicant characteristics is essential to providing an excellent account holder experience. For example, consider separate workflows for:
 - » Account holders with a long-term history at your institution vs. brand new applicants.
 - » Applicants entering the new account process through a pre-authenticated channel like digital banking vs. an unauthenticated individual.
 - » Applicants for transaction accounts vs. those opening a certificate of deposit (CD).
 - » Business applicants that have different requirements for account opening.
- A modern platform with open APIs and tight fintech integrations.** Look for an origination system that allows you to integrate the best identity verification and funding tools available while maintaining a smooth connection with your core provider.



“Financial institutions have to redefine the process of online account origination to ensure traditional verification methods such as credit score, KBA questions, clunky ID scanning, excessive KYC questions, international passports, and ACH micro-deposits do not contribute to abandonment rates.”

Source: “Don’t Abandon Me: Reducing Friction in Online Account Opening with Digital Identity Verification,” Cornerstone Advisors, 2021

- **Deep reporting across the account opening workflow.** It's important to track the number of account applications started and the subsequent abandonment rate to truly improve your applicant experience. In addition, identifying the exact areas of friction in your application process and addressing those points with adjustments to your workflows or ID verification decisioning rules is crucial.
- **Multiple data sources for ID verification.** Clunky authentication questions are the source of 40% of abandoned applications.⁴ Update your account opening process with modern identity verification solutions – especially those relying on multiple data sources – to make it easier to acquire more qualified applicants.
- **Account funding alternatives to micro-deposits.** According to a recent Cornerstone Advisors study, eliminating micro-deposits for ACH funding can increase your funding and lower your abandonment rates by nearly 50%.⁶ Focus on front-loading the identity verification process to ensure the applicant is ready to fund the account and create a fast, simplified funding process for applicants.

To compete for new deposits and depositors, reimagining your new accountholder experience with today's digital-first lens is essential. Remove leftover friction from outdated processes and add streamlined solutions that enable you to seamlessly acquire new accountholders.

improve your accountholder experience

[Learn more](#) about how Jack Henry™ can help you boost deposits with a superior account opening experience.

For more information about Jack Henry, visit jackhenry.com.



“In the old system, we had twice as many customers abandon us when we had them use trial balances for ACH funding. By changing the identity verification process up front, we eliminated that point of friction.”

Source: “Don't Abandon Me: Reducing Friction in Online Account Opening with Digital Identity Verification,” Cornerstone Advisors, 2021

sources

1. eMarketer Editors, *Chime is the No. 1 Neobank in the U.S.*, Insider Intelligence, accessed June 2, 2021.
2. Jack Henry & Associates, *Jack Henry Strategic Priorities Benchmark Study*, 2023
3. John Meyer, *Don't Abandon Me: Reducing Friction in Online Account Opening with Digital Identity Verification*, Cornerstone Advisors, 2021
4. John Meyer, *Don't Abandon Me: Reducing Friction in Online Account Opening with Digital Identity Verification*, Cornerstone Advisors, 2021