



Digital Passport

Transforming financial services through customer-permissioned data exchange



EY

Building a better working world

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The Digital Passport

The challenges of managing customer data

Large financial institutions (FIs) have historically faced difficulties rationalizing their customer data and enabling portability across geographical boundaries and lines of business.

Approaches to resolve this have typically been technology-led, yielding limited results due to complex technology estates featuring a multitude of legacy systems.

Single Customer View (SCV) quality issues and limited cross-system data portability often results in customer data being maintained in several places across the organization. When a customer informs an FI of a change to their circumstances (i.e., change of address), it often fails to be reflected across the business, and this siloed approach can lead to data quality Know Your Customer (KYC) challenges.

Where an FI is unable to leverage an accurate, unified customer profile for its existing customer base this can result in a poor customer experience within the application process for new products and services, which in turn impacts the FI's effectiveness in up-sell, cross-sell and customer retention.

Additionally, continually evolving data regulation is putting FIs under increasing strain to manage customer data. An example of this is the EU's General Data Protection Regulation (GDPR) which requires organizations to ensure all instances of data sharing are authorized by the customer. It is therefore imperative that FIs implement a consistent, auditable and robust data exchange and consent process.

Supporting customers

The Digital Passport is a customer-centric technology platform created by EY to provide a secure and traceable exchange of customer information, which can be applied directly into an organization's online channel. The Digital Passport supports the customer to act as the controller for their own personal information, and permits the use of that data through a secure, audited digital exchange.

From an operational perspective, the Digital Passport acts as a router within the FI, facilitating customer-permissioned exchange of data between the multiple sources within an organization (e.g., cross-business line and cross-border). Data origination and lineage are tracked and maintained so insight can be gained into when and where data has been accessed, utilized or modified, and by whom.

The solution holds a metadata map of the data attributes stored, and their location across the organization. It is therefore able to aggregate and identify data conflicts which can then be presented back to customers for resolution with updates flowing back to all relevant systems. Data changes can be pushed out to multiple data sources in line with customer permissions, to support the organization in maintaining an accurate customer data set. The Digital Passport is effectively a single access point to a consistent, accurate SCV.

Figure 1: **EY Digital Passport holds the map of what data is stored where across an institution and acts as a single point of access to that data**



How does the Digital Passport differ to traditional SCV solutions?

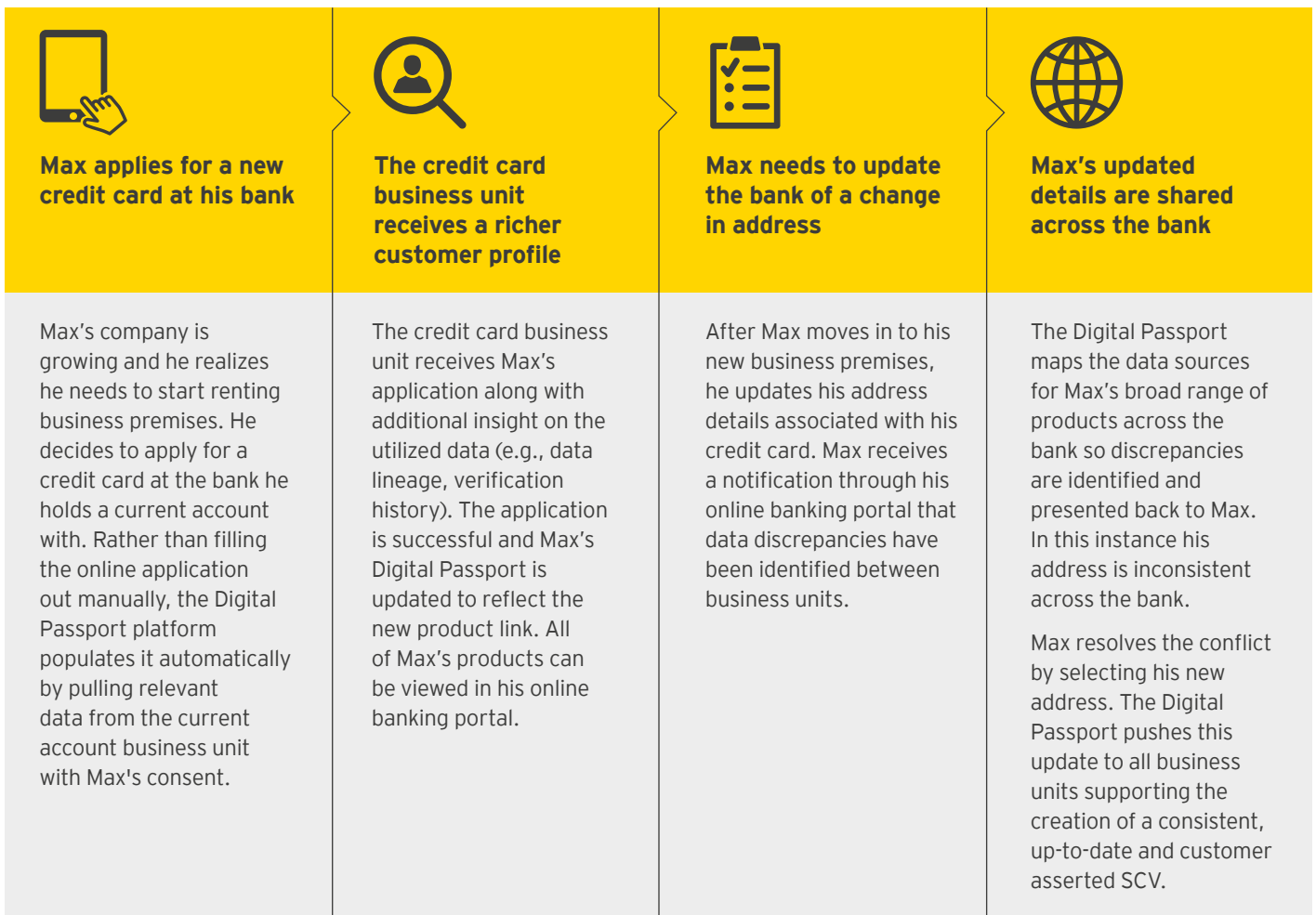
Traditional SCV solutions have struggled to add significant value at an appropriate cost. These solutions are often technology-led with minimal or no customer interaction. SCV programmes often create yet another data source adding further complexity, require highly skilled resources and result in high total costs and limited time savings.

The Digital Passport is a new approach; it allows for the retention and linkage of data silos so data can be consolidated and used on request. Digital Passport is a digital customer engagement platform that incentivizes customers to keep their information up to date through continuous usage in mutually beneficial interactions.

The customer journey

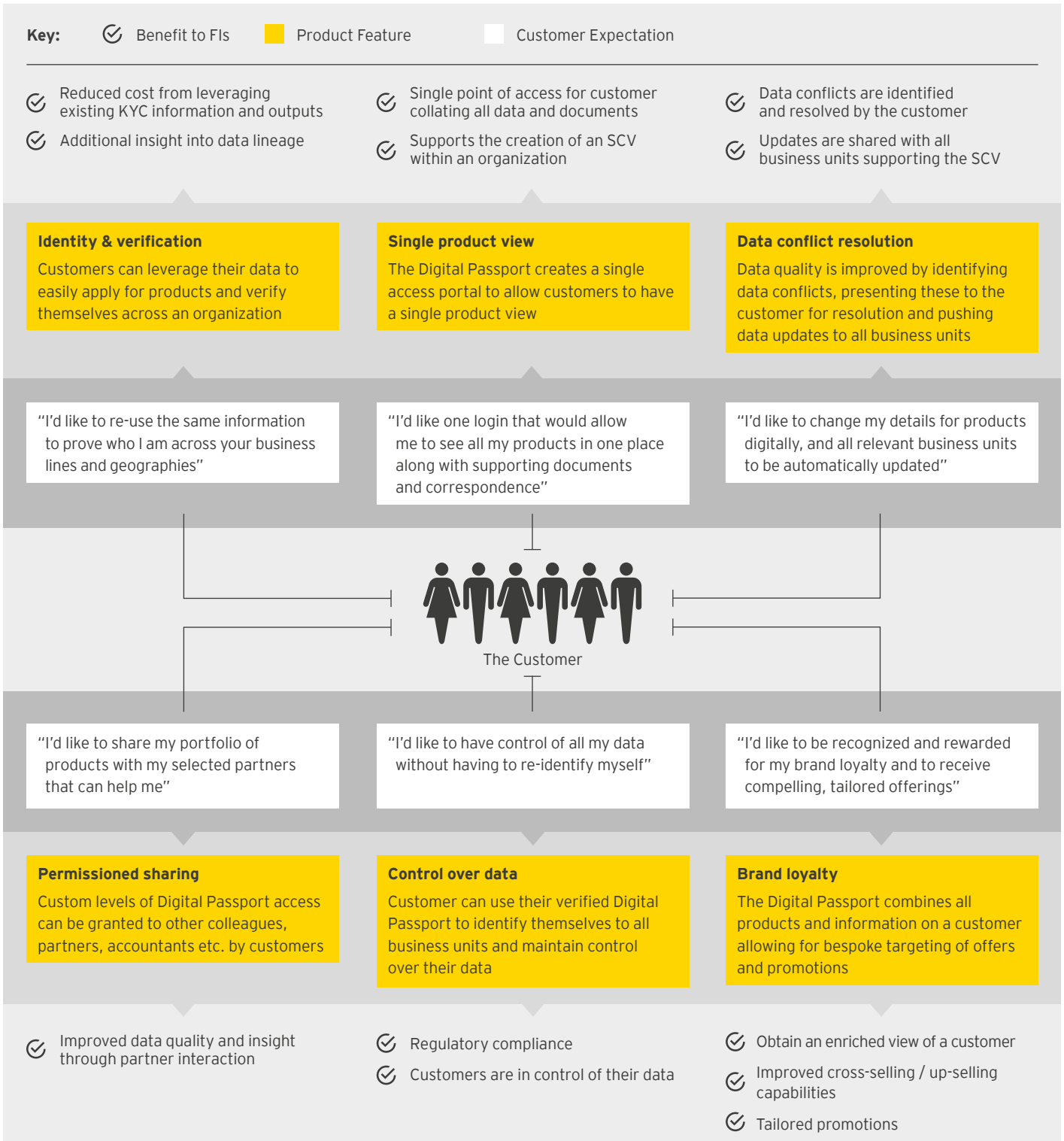
The Digital Passport serves a variety of customer types, including individuals, SMEs and corporates. For the purpose of demonstration we will use Max; the owner of a start-up tech company to illustrate a typical customer journey.

Figure 2: A typical Digital Passport customer journey



Expectations, features and benefits

Figure 3: Customer expectations, product features and Digital Passport benefits for a financial institution



Conclusion

In the immediate future, as customer expectation continues to grow and regulatory enforcement of customer data rights extends, financial institutions will have to reimagine the link between the front and back office. Old ways of working have been proven not to fully solve key problems. Data sharing between and within institutions remains a complex and largely unsolved challenge.

Solutions which address institutional pain points will have to account for the impact on customer experience and in many instances the customer, if incentivized in the right way, is becoming the key to unlocking greater operational efficiency and value at reduced cost and technology burden.

EY's Digital Passport offers an opportunity to not just comply, but to embrace and harness these macro changes. Using a modular and micro-services enabled architecture, institutions have the flexibility to prioritize their needs across SCV, cross and up-sell, on-boarding, KYC and other areas whilst retaining the agility to address changes as these priorities evolve.

In the context of ever increasing competition, digital innovation and data democratization, FIs need to seek new ways of providing compelling customer experience to remain competitive. Digital Passport achieves this by providing enhanced digital customer engagement, whilst delivering a step-change to single customer view, on-boarding and data privacy operations.

The financial landscape is changing, Digital Passport embraces open-API connectivity to provide a transformational and mutually beneficial engagement platform for customers and FIs.

A win-win solution for FIs and customers

The Digital Passport has been developed by EY in collaboration with a number of Tier 1 financial institutions to address intra-organization data exchange. Historical acquisitions of institutions with incompatible legacy systems, as well as geographical restrictions have made seamless customer data sharing between departments and lines of business a significant challenge.

The Digital Passport is a win-win solution for FIs and customers. This proven microservices-based technology is scalable, flexible and integrates with both legacy and emerging technologies. It aids data portability across business units and locations, reducing on-boarding costs and supporting compliance with data privacy regulations. Customers benefit from an improved customer journey, accurate and timely data quality and a single view of their products and accounts.

Why EY?

EY combines global capabilities and scale with a deep understanding of the SME banking market. Drawing upon the experience of advising global financial services providers, governments and regulators in KYC, anti-money laundering (AML), Open Banking, cybersecurity and digital transformation, EY teams developed the Digital Passport, a digital identity and permissioned data-sharing application to address the opportunities that are enabled by regulatory and technical advances.

In support of the Digital Passport, we also have a service network and knowledge spanning major industries and jurisdictions, enabling us to use cross-sector connectivity to help accelerate adoption across financial services providers, governments, SMEs, and other sectors and industries.

Contacts

To find out more about the Digital Passport, please contact:



Dai Bedford

Ernst & Young LLP
EY Global Banking & Capital Markets
Advisory Leader
DBedford@uk.ey.com
+44 20 7951 6189



Hamish Thomas

Ernst & Young LLP
EY Global Solution Partner
HThomas@uk.ey.com
+44 7967 176593



Martin Jones

Ernst & Young LLP
EY Global Product Director
MJones5@uk.ey.com
+44 20 7806 9448

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