Bankers engage your brains!

Thinking in siloes is bad for business. **Rivi Varghese**, CEO of **CustomerXP Software**, urges an intelligent approach to cross-channel fraud management

Banking is the only industry in the world where the entire life of the customer flows through it – you know how much they earn, where they live, where they visit, how much they spend, who's part of the family, whether or not they own their own home, even how much gas they put in the car. No other industry has the privilege of seeing such a 360-degree view of a customer's life.

This could make banking the smartest industry on the planet, but bankers the world over don't realise this potential – they still believe they are in the transactions business and so every decision is siloed. These siloed decisions are proving to be costly and impacts both the top line and bottom line of banks

The time has come for bankers to use the collective insight they have gained about every individual customer and bring it to bear in the split second when the transaction occurs – to influence, modify or stop the transaction across channels in real time. We need to use this brain-like central nervous system approach to make a segment of one decision every time in real time.

For example, if a customer card present transaction is detected in a far-off location, a siloed card-only

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solution will make the decision based on data gleaned just from cards. However, a brain-like, real-time, cross-channel approach will know that the customer logged in to internet banking in London, logged into mobile banking via Vodafone in London and hence will question the possibility of how he/she can simultaneously be thousands of miles away. It will then figure out what to do, thus making every such interaction contextual and real time.

One can see that this brain now has a segment of one intelligence, every time for every customer interaction, and this is very hard to replicate for anyone – especially for hackers, who typically carry

out large segment attacks, which leverages the siloed nature of the underlying system. In this brain-like approach, the hacker will now need to understand every customer individually across channels to perpetrate serious fraud, as not only the fraudulent transaction should be channel-wise correct but it should also be correct from the collective intelligence perspective of the customer.

One of the reasons why banks still think in siloes is because vendors who provide such systems also continue to think in siloes. Vendors need to think about integrating the wealth of intelligence available in core banking calls and invest in re-architecting their products to go from a legacy approach to a Google-like system; from thinking in terms of monolithic machines that work by running and optimizing complex queries to a system that is doing distributed in-memory computing using commodity processors that scale horizontally. From a bank's perspective, this impact is externalized, as such a smart system will be able to leverage the existing investments made by the bank and will minimize the overall impact by ensuring business-as-usual processes are not changed. Bankers, please think like Google and use this brain-like intelligence that you have about every customer in-line, real-time for every transaction. Only you have this ability, so make it your sustainable competitive advantage.