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OneSpan

Secure virtual signing experience: customer requirements

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Finextra

OneSpan

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01 | Introduction

The global pandemic presented a challenge to the way many products and services were offered by banks, and now that we are on the other side of Covid-19, the impact is clear. Covid has permanently altered the expectations and possibilities of how banks conduct their business.

According to [finder.com](https://www.finder.com), in 2023 24% of people in Britain have a digital-only bank account, compared with only 9% in 2019. This trend looks set to continue with 5.3 million Britons intending to open a digital-only bank account in 2023.

To achieve success given these dynamics, financial institutions must balance the convenience of the virtual world with the personal touch of the real world. Customers expect their financial service provider to offer the same digital experience they are receiving in other areas of their life. For instance, the proliferation of existing tools that improve digital experiences such as Zoom, Microsoft Teams, or AI-based chatbots, are now proven and effective enablers of digital innovation.

However, automation is no longer enough. Today, security and a human connection is a must-have, particularly because remote working is now normalised, but the requirement for collaboration persists. In a world where we are making more financial decisions on digital platforms, there must be a process in place where meetings can be tracked and signatures can be ensured virtually.

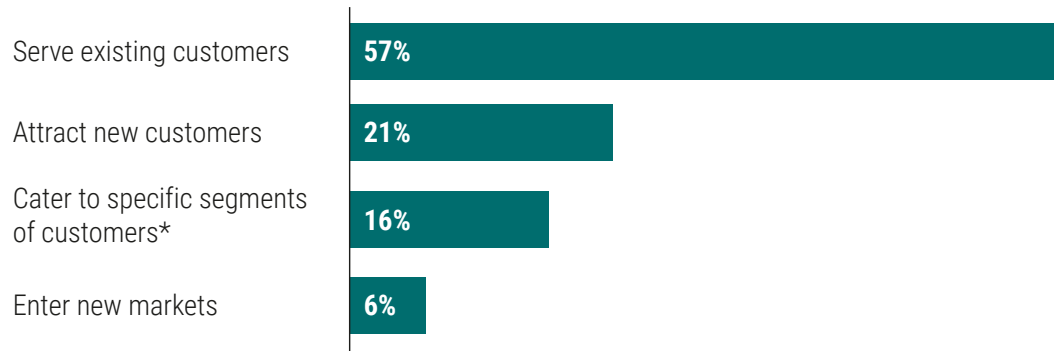
A good virtual signing experience should integrate digital identity authentication and verification as well as track compliance and non-repudiation. Further, these features can support the efficient use of sensitive banking information within any virtual room and mitigate data breaches.

There must also be room for these tools to form a personal connection between a bank and its customer, allowing consumers to seek assurance and build confidence in their financial services provider.

Banks need to align themselves with these new customer expectations, especially because digital banking applications cannot provide the full scale of security and human connection that an in-person interaction can. This poses a problem as banks move to close more of their branches.

In addition, leaving customers with no choice but to manage their money solely on their digital channels will be detrimental for the bank. Human support is needed for complex and high-value transactions or to convert them from standard services to high-value products.

What will be the primary purpose of your branch network by 2025?



*small business, wealth, insurance, advisory
Source Digital Banking Report Research® March 2022 Digital Banking Report

Bank branch closures are unlikely to slow down. At the start of 2023, **NatWest** announced it was closing a further 23 branches, and **HSBC** revealed they would be closing 114. Additionally, as the diagram shows, branch banking doesn't allow for enough differentiation to acquire new clients.

Financial meetings will increasingly be conducted online to meet the needs of our progressively more digital world. However, digital meetings should not sacrifice human relationships or security. While there are already a number of technology-led solutions which can provide a space for financial decisions, financial institutions must consider enhanced virtual signing experiences which offer security, efficiency, and much needed personal connection.

02 | Advantages of offering a human-digital model

Technology advancements have reduced the need for in-person touchpoints with consumers. However, a bank cannot provide a one-size-fits-all solution for every customer.

Customers need options and personalisation. One customer may prefer to check in on their investments on their mobile application regularly, while another may prefer telephone conversations with an advisor.

In the same way that no two customers are the same, no single virtual signing experience will serve all consumers. A human-digital hybrid model can provide an optimal, personalised customer experience and efficiency across all customer channels.

A secure virtual signing experience benefits three groups: banks and financial institutions, agents and advisors, and customers.

What are the advantages for banks and financial institutions?

Virtual signing experiences enhanced by the human-digital model can offer banks and financial institutions an edge over their competition, because customers expect to be able to manage their money and conduct business remotely at any time they choose. Banks need to be agile enough to adapt and scale their branch-level customer service to a model that is digital, secure, and with a personal touch.

To start, according to research from [MoneyLIVE](#) a digital lending process halves the risk of abandonment compared to those that still require paper-based signing. Already a digital process has significant advantages over its paper counterpart, but a hybrid model delivers an even greater experience with further reductions to the

risk of abandonment. 88% of survey respondents agreed that providing an option of communicating with an agent will help avoid abandonment in their processes.

In **KPMG's** "Future of Wealth Management" report, it states that, *"as assets move between generations, many digital natives stand to inherit this wealth, and will likely require licensed professional expertise to address complex needs and interactions. And while digital hybrid models exist today, future differentiation calls for a clear value proposition for each client type, and a customer journey that blends digital scalability with a human touch and personalisation."*

In addition, the virtual signing rooms in which the signing experiences are hosted not only help with the issues of client customer service but also with the efficiency and productivity of bank processes.

The digital experience can cut down the time between meetings but also allow for document tracking and compliance to be completed concurrent to the meeting – a part of the process which digitalisation might have slowed down in the past.

Co-browsing creates differentiation and can set a business apart. Co-browsing is a lot more than just sharing a screen; it allows the client to be guided through a document interactively while utilising important security features. There is a high level of control, where users have the ability to restrict the content that can be viewed and shared in a session, so only the document needed is shared. Additionally, security features can block participants from signing on behalf of others. Both parties are able to interact with the document at the same time, and an agent can walk through all stages of agreements, providing clear understanding.

The benefits of an enhanced virtual signing room can be leveraged to create better engagement with customers. The experience of these rooms improves not only the signing experience but also creates a better relationship with that client going forward.

What are the advantages for agents and advisors?

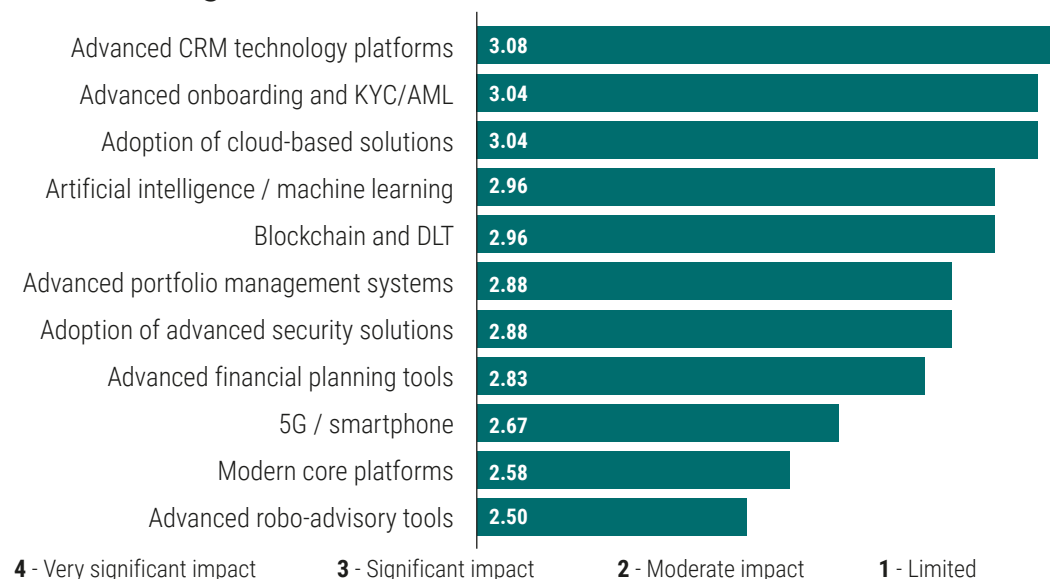
The ability to keep an interaction going and to close deals presents itself as a key advantage to agents and advisors. With complex and multi-step interactions, there is the possibility that customers could become lost within processes or drop off from onboarding when they are led by chatbots or robo-advisors.

However, with the ability to communicate through a virtual signing room, agents will be able to talk clients through the documentation and explain what is required of them. This can help keep clients on the call to complete a transaction and create a positive rapport driving future business and a trusted relationship.

Using improved virtual signing rooms would also allow agents and advisors to focus on the high-value clients, otherwise known as the mass affluent.

Online banking tools and mobile banking applications are sufficient for low-value client interactions, but for those conversations that require a human touch, a virtual room can be advantageous. Better still, blending those tools allows advisors to focus on clients that need direct interaction.

Technologies with the strongest expected impact on the evolution of wealth management models to 2025



Source: Accenture / PIMFA Wealth Management Survey Europe 2022

The convenience created through online signing rooms allows agents and advisors to focus on their clients. The agent can create personalised plans for them while also taking advantage of the time saved by conducting business over video, rather than in-person.

KPMG revealed that in North America “the average age of customers in the mass-affluent segment is 56, with just 4.4 million households under age 40. There is a broad mix of needs, from debt management to wealth accumulation to retirement distribution. Digital sophistication also varies: 65 percent of customers holding up to \$250,000 USD in assets are comfortable using online-only services, versus only 44 percent of clients holding \$250,000 USD to \$500,000 USD. However, many of these customers prefer human interaction and a highly personalised service over digital capabilities.”

What are the advantages for customers?

Enhanced virtual rooms with video provide great convenience and flexibility. The one-on-one experience customers might expect to receive from a branch visit can be provided without the consumer or client having to leave their homes and without having to rely on an automated online portal.

This direct interaction allows customers to feel that their service is personalised, especially in regard to higher-value transactions. This increases the value of their connection to their bank or financial institution while also providing the service they need.

However, the key benefit for customers is that virtual signing experiences within virtual rooms provide convenience and clear understanding of the process they are undertaking with their bank and their agent or advisor.

03 | Use cases for virtual signing experiences

Account opening and account maintenance (for high-value transactions)

The levels of security and identity verification required for account opening can often be time-consuming for high-value clients in an in-person setting. This can take multiple visits to ensure all paperwork, applications, and identity verifications are completed. A virtual signing room allows for these applications and account changes to be made in real-time.

Features like enhanced identity verification, e-signature, and video conferencing help agents complete forms simultaneously with clients in one visit, streamlining the process for all parties. Moreover, comprehensive audit trails and the option to record the virtual session enable banks to easily demonstrate compliance.

Wealth management

Historically, wealth management has relied heavily on in-person interactions and personal relationships, and this trend has remained resilient despite the accelerated shift to digital post-Covid. However, this can be time-consuming for a client if they need to disrupt their daily routine to attend these meetings physically.

It is unlikely that wealth management will completely transition to remote meetings, but virtual signing rooms offer a novel alternative for when physical meetings are not possible. It helps recreate a face-to-face environment while allowing for collaboration during investment strategy agreements, asset transfers, and for change of beneficiary forms. This offers agents the ability to retain existing mass-affluent customers and attract digitally savvy Gen Z clients.

Life event financing

For large financial transactions that are regarded as life changing – for instance, signing a mortgage agreement – an automated service may not be sufficient for a customer. Virtual signing rooms with video conferencing and simultaneous co-browsing allows an agent to walk through the process and documentation with their client.

This boosts confidence, and the personal touch helps assure the customer about the investment they are making. Additionally, features like identity verification, data capture, e-signature and vaulting allow for there to be tracking of all documentation. Clients can upload any supporting documentation needed in real-time, allowing for a smoother process.

Insurance

Traditional insurance business models are currently under increased digital pressure and have had to adapt to ensure paper usage and in-person visits are reduced. A modernisation of the way insurers broker deals and interact with clients is necessary.

A virtual signing room provides a convenient way for insurers to complete new business applications, disclosures, policies, and process insurance claims with their clients. Live documenting ensures paperwork can be completed efficiently, with built-in identity verification and authentication, which in turn, helps to mitigate fraud risk.

Auto-financing

The process of automobile financing through a digital platform may appear daunting to many consumers who are accustomed to an in-person dealership experience. However, research from [McKinsey](#) concluded that while fewer than 3% of European customers say they purchase vehicles fully online, 29% indicate they want to buy their next car entirely online.

Virtual rooms could help address some of the areas of apprehension around car financing with features like live video conferencing, ID verification, data capture, e-signature, and vaulting. Video conferencing rooms give control over the selling process by enabling agents to host virtual meetings with remote clients and walk them through financing agreements requiring signatures. Clients can upload supporting documentation to allow for immediate processing of the car loan or lease and dealers have a new source for meeting their monthly quotas.

04 | What to look for in a virtual signing solution

Secure signing solution

Any virtual signing solution should offer a wide range of security protections. The electronic Identification and Trust Services (eIDAS) regulation already provides some of the legal requirements for digital signatures, but in a digital environment, it is important for financial institutions to ensure that they are engaging with remote clients in a secure way.

Passwords alone are not enough protection for a meeting with sensitive information, as they are often left unenforced. The industry requires a solution that offers a wide range of identification and authentication options.

Another aspect to look out for is proper identity verification. This is necessary to validate unknown individuals or organisations which an organisation does not already have an established relationship with.

Additionally, features like co-browsing can prevent participants from signing documentation on behalf of each other.

Compliant signing solution

As we continue to use virtual signing rooms, financial institutions will increasingly rely on electronic evidence to demonstrate how employees and customers have completed a signing process.

Any virtual signing room needs to have a clear audit trail, evidence of who signed what agreement, the signing order, timestamps of when agreements were signed, and the IP addresses the agreements were signed from. Therefore, if a legal dispute does arise over a particular agreement, all the evidence will be accessible for judgment. All electronic evidence must be accurate and reliable.

When considering if a particular virtual room is compliant, users should look for:

- Signing privileges being passed between the host and participants;
- The signing order that took place in the virtual signing session;
- IP addresses and geolocation details of all participants captured in the signing session;
- Accurate information and attribution of the channel used for participants to sign agreements.

High level of control

Both financial institutions and clients need to have a high level of control during a virtual signing session. There needs to be the ability to restrict the content which is available and visible during a session.

Co-browsing has already been mentioned, but it also allows for the necessary level of control and restriction. The host can only share the agreement that needs to be signed – instead of their entire screen. This is not just on-screen notifications a host might receive, but also now allowing signers access to anything other than the documents they need to sign, such as browser tabs or other documents.

Ease of use

Any solution should be intuitive to use for both vendor and customer. Sending agreements, scheduling calls, and sharing documents on video screens should be easy and simple to do in a few clicks.

All parts of a virtual signing solution should therefore be fully integrated into one platform. This can help the process be easier for financial institutions but also create a better relationship with the customer, which makes signing feel smooth.

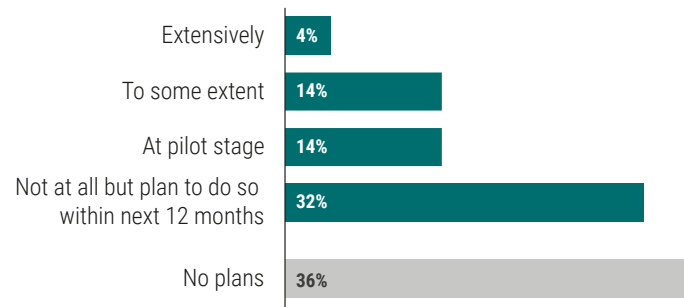
Driving customer experience

Many of the features like co-browsing, integrated platform, and strong security controls drive the customer experience. This encourages customers to feel confident in what they are signing and creates a trusting relationship for recurrent clients.

Another aspect to look for is white labelling of the platform to allow companies to place their own branding at the centre of their experience. This has the added benefit of aiding against phishing scams as the official branding is in place.

05 | Conclusion

Banks using virtual meeting rooms that bring together document completion and human interaction



Source: MoneyLIVE 2022 The Future of Customer Experience in Embedded Lending Report

As it stands, almost two-thirds (64%) of senior executives state that have already invested in or plan to build virtual meeting rooms that combine digital document completion with a human agent, according to research by [MoneyLIVE](#).

Moving forward, banks and financial institutions have no option but to begin looking at secure virtual signing rooms as the next piece of their communication arsenal. It is a necessary tool as branch closures continue and consumer demands shift towards the digital.

This is not to say that financial institutions will rely entirely on virtual signing experiences, tools like chatbots and robo-advisors will continue to be part of the apparatus for those customers who prefer to use them. However, there will be a need to balance the digital with the human moving forward. By using virtual signing experiences, banks can maintain security and regulatory standards while continuing to build strong relationships with clients.

About

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