

Know Your Customer (KYC) Processing



Industry

Banking

Overview

In keeping up with the rising customer base, banks across the globe need to process the Know Your Customer (KYC) forms faster, allowing for volume spikes whilst maintaining a very high accuracy level & end customer satisfaction.

Processing Know Your Customer forms for a leading Bank



Client

The client is a large bank with assets of over \$2billion. It has over 2,500 branches across India. The bank provides personal & corporate banking along with ATM, net banking, tele-banking & forex facilities to customers in India, UAE, China & Australia.

Business needs

The client with its global presence, faced challenges in processing KYC for an ever-increasing customer base. The bank made provisions for its customers to open & operate accounts in multiple ways (NRE / NRO / NRNR / FCNR / Power of Attorney). The client, therefore, required a faster processing of KYC forms, allowing for volume spikes whilst maintaining a very high accuracy level & end customer satisfaction.

Challenges

- Client faced a few issues while processing the KYC forms - volume spikes were difficult to manage, account opening cycle times was high & accuracy levels were very low
- The bank's existing workflow was unable to track documents, KYC processing & exception

handling was done manually. Also, as per government regulations, physical forms could not be sent out of the facility & output of the data processed had to be compatible with the Core Banking System

- The client had to deploy several numbers of resources for increasing customer satisfaction leading to an increase in operating costs thereby affecting margins. Further, the client faced the prospect of losing customers to competition

Datamatics' Solution

The Datamatics team, as part of a feasibility study & solution design, mapped the customer's process & proposed to be an end-to-end service provider. The solutions included:

- Redesigning KYC Forms
- Setting up scanning & mail room at customer premises
- Data processing & validation using KYC Form processing, powered by i-Q. The solution manages the entire KYC processing cycle, right from receipt of documents via fax, mail or courier to scanning, data processing, document management, archival, retrieval & generation of MIS reports. i-Q has all business rules & basic validation, like PAN card number, built-in. As a result, a high level of accuracy is achieved at the first level

Datamatics' Advantage

- Global Information Technology (IT) & Business Process Management (BPM) organization taking you forward on your route to Digital Transformation
- Trusted partner to several Fortune 500 companies globally
- Capabilities built around technology, domain expertise & knowledge of business processes
- Alliances with global technology leaders such as Microsoft, IBM & EMC²
- More than 7,500 employees globally
- Certified for SEI CMMI Level 4 V1.3, ISO 27001:2013 & ISO 9001:2008
- SSAE 16 compliant processes
- Global presence: U.S., UK, Australia, Dubai & India

Datamatics' Solution [contd...]

- Providing the 'Classify' application after scanning, in order to differentiate & segregate the KYC forms from the supporting documents.
- Verifying & keying of critical fields in the second stage. Converting the data after a final dispatch check
- The built-in 'IndiaNa' feature used for crosschecking & validating all Indian names & addresses
- Scanning images, snippets of signature files & output data in CSV format to be delivered to the bank via secure FTP. It also has an ability to integrate with the customer's core banking system
- Installing Datamatics' iPM or intelligent Process Manager, for MIS, exception handling & Document approval

- Image enhancement tools used as part of pre-processing stage, which removes noise on the image. This too helps in improving the OCR quality
- Usage of Topography to swiftly identify fields to be captured
- Usage of both ICR & OCR engines as the data on the form was either handwritten or printed. This increased the quality of data capture
- Data validation using master databases
- Conversion routines to export data in the format which is compatible to the bank's Core Banking System

Approach

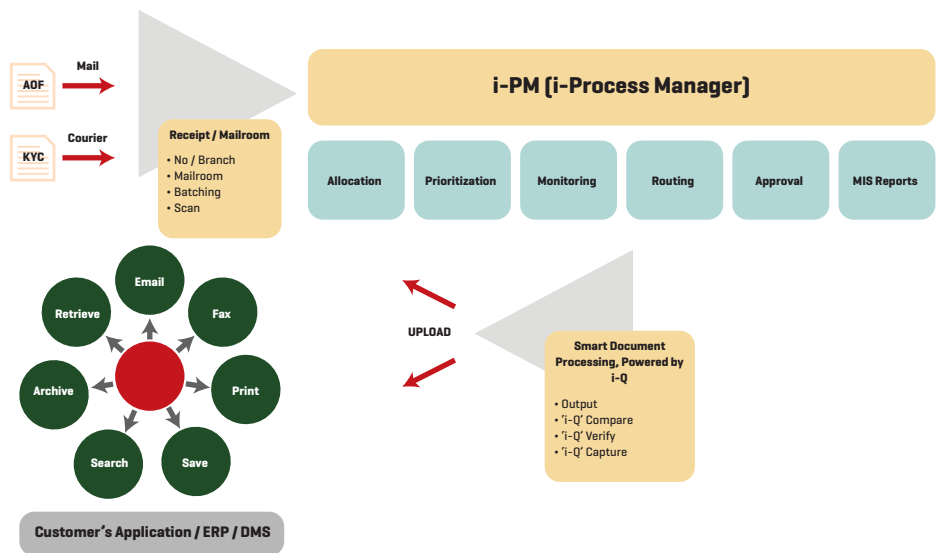
The workflow in the KYC Form Processing, powered by i-Q had the following feature:

- Colour drop-out technology, which efficiently drops out specific lines from the image thereby increasing OCR quality

Benefits

- **Reduced cycle times:** Increased automation leading to reduced cycle time from 8 days to 2 days
- **Quality:** Higher quality levels - up from 95% to 99.5%
- **Increased efficiency:** Increased efficiency from 900 second per KYC form to 265 seconds per KYC form
- **Cost effective:** Significant reduction of customer's operational cost
- **Practicality:** More efficient system & effective use of business rules while processing KYC Forms

Process



Result

KYC Form Processing, powered by i-Q significantly reduced costs & turn around-time, improved quality, increased speed, & provided several other benefits to its users. The high quality accurate data base population provided increased downstream benefits & savings.

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