

Case Study

European Bank Accelerates KYC Processes with Automation from Kofax.

This bank used Kofax RPA™ to automate data-gathering processes linked to Customer Due Diligence (CDD) and Know-Your-Customer (KYC) checks. Today, the bank can complete data-collection work that once took roughly 13 minutes in under 90 seconds on average, saving thousands of hours a week. Faster, more complete customer investigations reduce costs and the risk of regulatory non-compliance.

88%

faster data collection

1,000s

of hours saved per week

Cuts

compliance risks

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About the company

This European bank offers a full range of products and services to retail, private and corporate clients.

Products in Use

Kofax RPA™

Focus

Know-Your-Customer (KYC)
Regulatory Compliance

Challenge

In recent years, there has been a sharp rise in regulatory pressures concerning anti-money laundering. It has become a must for financial services firms to comply with strict Customer Due Diligence (CDD) and Know-Your-Customer (KYC) policies to prevent identity theft, financial fraud, money laundering and terrorist financing. The price of non-compliance is high; institutions failing to meet regulatory rules have been subject to an estimated US\$10 billion in fines since 2013.

For this European bank, complying with CDD and KYC requirements is a top priority. However, it found that relying on manual methods to perform the necessary investigative work was far too time-consuming and cost-intensive.

A spokesperson from the bank explained: "Highly skilled analysts were spending hours of their days combing through both internal and external systems to gather the relevant information on customers—a tedious exercise. And with legislation growing increasingly complex, we were constantly scaling up resources to keep pace with new requirements. Our manual approach was quickly becoming unsustainable, and we were in urgent need of a more automated and efficient way to manage CDD and KYC investigations."

"Kofax RPA has completely transformed the way that we manage CDD and KYC investigations."

Spokesperson, European bank

Solution

A longstanding Kofax customer, the bank was already using a range of Kofax software across its business. Working with Kofax, the bank found the answer to its compliance challenges in an unexpected way.

The spokesperson said: "Kofax was presenting and demonstrating the Kofax TotalAgility Suite to our Document Logistics team, and they happened to touch on the topic of CDD and KYC. Kofax instantly recognized that its Kofax RPA™ offering could provide us with the perfect solution for these challenges. A few weeks later, we ran a proof-of-concept exercise, where we were able to see the capabilities of Kofax RPA first-hand. This convinced us that the solution was an ideal fit for our needs."

After performing extensive checks to ensure the solution met strict security and privacy requirements, the bank worked with Infosys and Kofax to deploy the solution.

Thanks to Kofax RPA, the bank has been able to automate what were once time-consuming and error-prone CDD and KYC investigations. When analysts need to perform a check on a new customer, Kofax RPA robots will trawl the bank's internal systems and databases, as well as external sources (such as Chamber of Commerce business registers, social media, news archives, Politically Exposed Persons databases, and more) to verify the customer's identity and determine if they have been linked to any illicit activity.

"We run the Kofax RPA robots overnight; they gather any relevant information on the customers we have identified and put it all together in a report," explained the spokesperson. "When our analysts arrive at work the next morning, they have all the supporting data they need to perform CDD and KYC checks."

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The project has been met with a highly positive response at all levels of the business. Inspired by this initial success, the bank has significantly expanded its use of robotic process automation, bringing similar efficiency gains to other areas of operations.

The spokesperson noted: "We have now established a factory model for robotic process automation: business owners send their automation request to IT, where a dedicated development team analyses the requirements, performs feasibility checks, then designs and deploys a solution for robotizing the requested business process. Today, teams from our Retail and Private Banking, Corporate Clients and Operations divisions all take advantage of Kofax RPA—and we see huge potential for extending the solution to more areas of the business in the future."

Results

Kofax RPA has brought newfound efficiency and accuracy to CDD and KYC checks. In retail banking, the company has cut the time taken to gather data for CDD investigations from 15 minutes to 90 seconds. And in corporate banking, data collection that once took 12 minutes to perform can now be completed in 70 seconds. Similarly, the bank has shortened time spent on data gathering for Anti-Money Laundering investigations from 20 minutes to 2.5 minutes.

The spokesperson remarked: "We perform upwards of 3,000 CDD and KYC investigations every week, so the efficiency gains that we have achieved with Kofax RPA mean that we are saving thousands of person-hours of work a week.

"Our analysts have been released from tedious, time-consuming data-gathering work to focus on more productive and rewarding tasks. The shift has translated into a better working life for these employees, boosting their satisfaction and retention."

In addition, the bank has improved the breadth and quality of its investigations. It is now able to include

new data sources, such as social media websites, in its CDD and KYC checks, resulting in more comprehensive searches. And as data-gathering is now entirely automated, the bank has minimized the risk of errors occurring or key information going unnoticed.

Equally important, Kofax RPA provides a full audit trail of all investigative work, showing when robots are running, what sources they visit, and how long the data extraction takes. Armed with this information, the bank can provide auditors with clear evidence that it has performed its due diligence around CDD and KYC processes, and is operating in full compliance with the latest regulations.

The spokesperson concluded: "Kofax RPA has completely transformed the way that we manage CDD and KYC investigations. The entire process is faster and more robust than ever before, and our analysts have more time to dedicate to value-added tasks. As we continue to extend the benefits of Kofax RPA across the business, we look forward to helping even more employees work more efficiently and accurately."

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