



Intelligent Automation for Know Your Customer (KYC)

Financial institutions of all shapes and sizes must perform KYC and due diligence checks. Both help to verify the identity of new clients and any risks involved with doing business with them. Both processes can involve a long, tedious exchange of documents. The question is: how to make that exchange shorter and less time-consuming?

The answer often depends on how savvy a finance company has been at using automation.

One survey found that automating the KYC process inside a large global bank reduced onboarding costs by 70%. That same survey, by Harvard Business Review Analytic Services and EXL Service, found that automation reduced turnaround time on customer requests by as much as 90%.

70%

Automating the KYC process inside a large bank reduced onboarding costs by 70% and turnaround times by 90%.

The problem

Here's why KYC and CDD (Customer Due Diligence) processes are still so painfully manual and involve so much "chair-swiveling" between systems.

Benefits of Automation Hero for Know Your Customer

- Integration with multiple systems from a single platform (no chair-swiveling)
- Leveraging a single platform that supports data ingestion, enrichment, analysis, ETL, and business workflow logic
- Options for keeping the human in the loop (attended automation)
- Keeping communication open with the customer
- Capacity for error handling and management
- Fewer typing/transcription errors
- Facilitated communication with external services (social media, Watchlists, news services, etc...)
- Integration of results into one end-to-end process
- Scheduling of follow-up processes, supporting long-term regulatory compliance

What's involved in a typical KYC process:

- communication with a customer to request documentation and confirmation of receipt
- assessment of the type of document provided and determination of validity
- searching various websites/services for Watchlist violations or Negative News
- navigation of CRM to particular customer
- manual entry of specifics of the document
- update of the customer record and/or workflow
- uploading the document to a file management system

The end user, an employee inside a financial services company, fintech or bank, must interact with numerous systems to complete the process. That person is also responsible for outbound communication with the customer. Likewise, the process does not always take into account Ongoing Due Diligence (ODD). This is the periodic reassessing of customer documents, including when certain types of documents expire.

The manual nature of the data entry, apart from being tedious, is also prone to human error. Plus: the potential lack of oversight for ongoing validation of documents and reassessment opens the institution to regulatory auditing risk.

The solution

Automation Hero can rapidly schedule, automate, and enrich the process of accepting KYC documentation.

Here's an example of how we might speed up processing the document in our platform:

1. Create an automation that looks at both an email server and a shared network location (for manually scanned documents).
2. Process the record through an AI classification model to determine the document type.
3. Process the record through an intelligent OCR (optical character recognition) model to extract the key data fields.
4. Perform ETL (extract, transform, load) on the key information to normalize the data.
5. (Optionally) Send the extracted fields to a web interface for human validation/correction.
6. Perform an API-driven call to a Watchlist provider (e.g. World Check, Factiva, etc...) and return results for the customer.

7. Communicate with news or social media services (e.g. Twitter) to look for negative news or other risk factors.
8. Look up the account or ID number of the customer in the CRM or other centralized database.
9. Execute an update of the customer record.
10. Load the digital document into a document repository.
11. Send an email notification to the customer confirming receipt and processing of the document.
12. Send a notification to the account manager, informing them of the status.
13. Update the calendar of the account manager to re-assess the account based on the expiry date of all processed documents.

This approach to the KYC/CDD process keeps the human (both customer and account manager) in the loop, while making the process more accurate and expedient.

What is Automation Hero?

Automation Hero's end-to-end automation platform for the modern enterprise combines screen scraping, structured and unstructured data processing, machine learning, and the human workforce. It's an operating system for automation — intelligently automating everything from simple tasks to complex business processes. This improves information worker productivity and drives more successful, optimized business outcomes. Its powerful backend focuses on three key areas: eliminating repetitive and time-consuming tasks, automating common asks and augmenting employee decision making.