

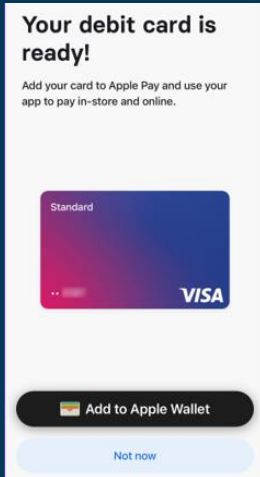
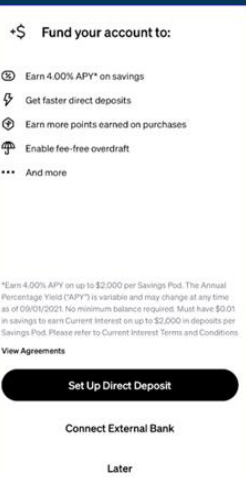
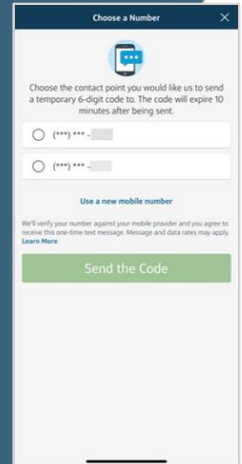
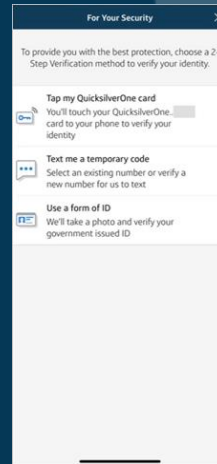
Capital One doubles down on security

Capital One continues to be a leader in enhancing security measures, having recently implemented a two-step verification requirement to allow users to view their virtual card number.

Users can select from a range of authentication methods, including a standardized SMS one-time passwords (OTP) option, photo ID document scan and card tap to phone. These methods cater to the varying needs and technological comfort levels of users, ensuring that individuals can opt for the methods they find most convenient.

Capital One also ensures that users are provided with ample support for more advanced verification methods by offering guidance via simple but effective animations, making these advanced procedures more approachable and user-friendly.

In an era of prevalent cyber threats, Capital One's advancements in authentication methods highlight the continuously developing relationship between heightened security measures and a seamless user experience within digital banking.



Providers get direct about funding

Data shows that digitally originated accounts generate lower balances, are unfunded, and have retention rates significantly lower than in-branch originated accounts. As a result, leading providers are targeting the funding journey to improve account performance and gain top-of-wallet status. This is an area in which many retail checking providers are investing, driving regular advancements.

Three quarters of U.S.-based retail checking providers tracked by the Digital Banking Analyzer offer the ability to fund a new account via third-party API while 39% of the same institutions offer the ability to fund via account linking. Best-in-class providers are focusing beyond the initial deposit by encouraging users to setup their direct deposits in the new account. Those who do so prioritize the direct deposit option through design and call to action (CTA) placement over account linking or the ability to fund later.

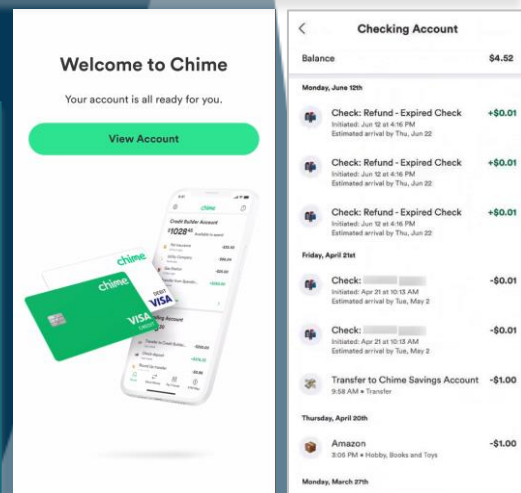
This makes a new applicant feel like a customer or member immediately, and sits comfortably with virtual and digital card provisioning. Users can begin spending on the account as soon as it is confirmed.

Truist prompts card activation

Like retail checking, optimizing the credit card onboarding journey is widely recognized as a key area of differentiation for providers. Lenders look for ways to connect applications and onboarding to full-scale servicing. Encouraging the applicant to add their new card to the digital wallet upon approval is a key capability.

Truist demonstrates a best-in-class experience, displaying a prominent call-to-action banner at the top of the screen, alerting users that their card is on the way and should be activated once received. An activation button is included within the banner to help seamlessly facilitate the process. An additional "Activate card" quick link button sits on the account summary screen with an "activation required" alert prominently displayed on the card controls interface.

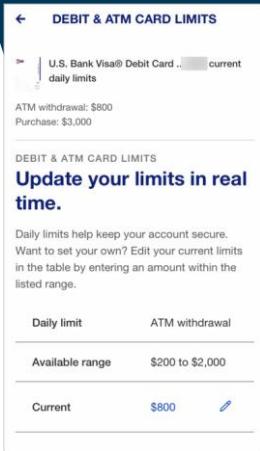
This multi-indicator approach ensures that users are consistently reminded and guided through the process. As such, they are actively encouraged to begin using both virtual and physical cards.



Advisors Plus on... Onboarding

An efficient sign-up process and engagement after enrollment is a key driver of new account success. The fintechs mentioned below are offering efficient sign-ups and experiences to engage new users.

U.S. Bank enables in-channel card limit controls

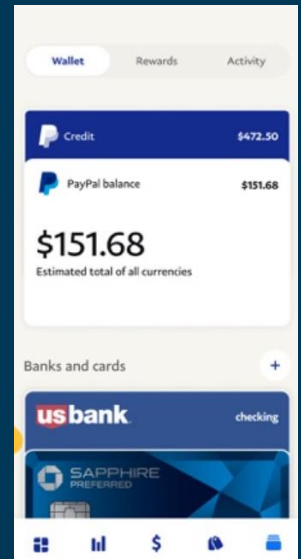
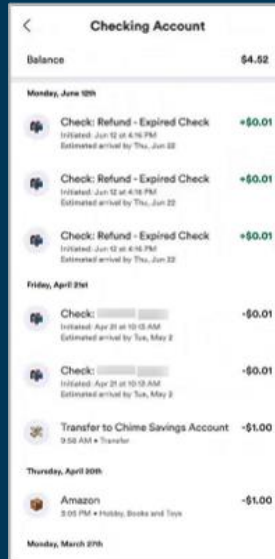
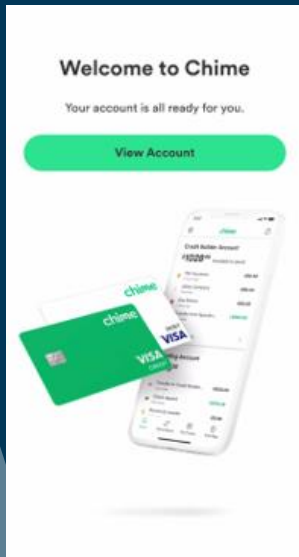


U.S. Bank users can now change their purchase and ATM withdrawal limits on both desktop and mobile platforms. Accessible via the card management page in the mobile app, users can make updates by clicking on the pencil icon next to a listed purchase and ATM withdrawal limits. As a guideline, the provider shows users the dollar ranges (minimum and maximum) that are available for both types of limits.

This self-serve feature provides users with more autonomy over their debit card settings, foregoing contact channels to make changes to card limits. Furthermore, adjustable card limits provide flexibility at times when users need to make a larger purchase or ATM withdrawal, avoiding the frustration of declined debit card transactions.

While some debit card control features, such as reporting a card lost or stolen, temporarily freezing a card or changing a PIN, have become quite common, updating spending and withdrawal limits is still an emerging feature among U.S.-based financial institutions. Only 27% of the brands tracked by the Digital Banking Analyzer allow users to update spending limits, and only 11% enable users to adjust ATM withdrawal limits on their mobile platforms.

IN FOCUS: FINTECHS TAKE PRIMACY



STAT OF THE
MONTH

35%

of financial institutions
allow users to scan an
ID document to pre-fill
parts of the application
form*

*tracked in the Digital Banking Analyzer

Fintechs now account for 40% of new banking relationships, up from only 29% three years ago. That's according to the latest annual Curinos US Shopper Survey, which also revealed that only three brands – CashApp, PayPal and Chime – accounted for 60% of all new fintech and direct-bank relationships.

Chime has performed well over the past few years because it's been a leader in providing early paycheck access, a customer-friendly overdraft/NSF policy and standout digital user experiences. The emergence of CashApp and PayPal as primary-checking providers should be a cause for concern for banks and credit unions, as they continue to evolve into the broader retail checking space.

Consumers choosing fintechs are largely from the mass market, so they generally have lower deposit balances. But financial institutions can't afford to cede the mass market because it helps pay for necessary branch and technology infrastructure.