

NICE
Actimize



Brochure

Effective Retail Onboarding: Set up CDD for Success



Retail Onboarding: The First Critical Step in Risk Management

Onboarding is the first touch point with a new potential customer, so it's important that it's done right. Building an accurate customer profile and defining the customer's risk should be a diligent and comprehensive process. It sets the stage for a strong ongoing financial crime compliance program.

For retail onboarding to be successful, financial institutions (FIs) must determine and validate the identity of the prospective customer and verify the document and information provided. FIs need to balance limiting customer friction with capturing enough information to be confident in the customer's identity and risks.



Collect Essential Information and Documentation



Identity documents
(Name and DOB)



Identification number
(if applicable)



Current
address



Address history
(last 5 years)



Occupation



Income



Purpose
of account



Expected transaction
frequency and volume

Red Flags to Watch for During Retail Onboarding

Criminals seek access to financial services so they can commit financial crimes and move and clean their illicit wealth. During onboarding, it's important to monitor for unusual behavior and discrepancies to prevent criminals from opening fraudulent accounts.

Common red flags include:

- **Fraudulent documentation:** Check if the documents are legitimate and officially issued
- **Information discrepancies:** Is the information provided by the customer consistent and does it match what you already know about them? How much of this information can be independently verified?
- **Inconsistent IP addresses:** Is the prospective customer accessing the online onboarding process from the same IP or device ID? Are there any unusual discrepancies in these details?
- **When opening an account at a branch, human trafficking victims or a victim of other crimes might open accounts under duress:** If that person is accompanied by a third party who might do most of the talking, does the customer look disheveled, scared, or confused?
- **Repeated changes in details during the onboarding process:** Is the customer continually changing details they provide to open their account? Does the frequency of these changes appear suspicious or unusual?



How to Improve Retail Onboarding

Policies and Procedures

Your FI needs current, comprehensive policies and procedures across the life cycle of your onboarding and ongoing monitoring program. And they should be updated and shared regularly.

Procedures must be:

- Written down to avoid miscommunications
- Detailed, with clear instructions noting when and how to hand off certain actions in the process
- Accessible to relevant internal stakeholders

Your procedures need to clearly outline:

1. When and how analysts enrich customer data with internal and third-party data
2. How to verify and validate customer provided data with trusted third-party data sources
3. How to log and record all actions taken, including when certain actions are completed in the workflow process or information is identified

These steps are vital to ensure that you have a robust, consistent and auditable onboarding program.

Data Strategy

A strong data strategy is necessary to increase speed and accuracy. Using data intelligence solutions can minimize human error and promote following policies and procedures. Automatically gathering information from multiple third-party data sources can improve consistency across all analysts.

Fighting FinCrime Together

Analysts and financial crime employees are among an FI's greatest assets. Ongoing training helps them identify and remember red flags, protecting your firm by blocking fraudsters' attempts to transfer funds. Share real-world examples of positive and negative experiences in identifying red flags with teams as a learning and development tool. Leverage seasoned employees' knowledge by encouraging them to share what they know with your less experienced staff.

Empower Analysts

For your retail onboarding program to be successful, you need to give analysts the flexibility to make informed decisions. It's crucial to provide them with the right data and tools to reduce human error and promote fast, accurate decision-making. Your analysts need to perform their role within the confines of clearly defined policies and procedures to ensure consistency across the whole team.



Technology

Technology is an enabler. AI-powered tech helps your analysts do their jobs faster, with greater accuracy and consistency. The right tech can expose bad actors attempting to gain access to your FI's services.

Onboarding retail customers without using advanced technology is extremely challenging. Technology can help eliminate manual repetitive tasks that are error-prone and time consuming. It can be leveraged to deliver consistency across your onboarding program through a repeatable process of gathering data, providing relevant checks, visualizing data and offering up a customer risk profile and score recommendations. Analysts using advanced analytics will uncover discrepancies, recognize potentially suspicious information or behavior, and can flag transactions to investigate or report to relevant authorities.

Technology makes for a faster onboarding process by providing the right information at the right time and delivering a risk rating recommendation based on all available information. Through automation, technology can improve customer experience (CX) by reducing friction at different touch points.

Streamline Onboarding

A strong technology strategy used in conjunction with up-to-date policies and procedures that's combined with the right people yields powerful results. You can obtain a robust retail onboarding program that improves CX and strengthens your defenses against criminals seeking to access your financial services.

A successful onboarding process is the cornerstone of building good customer relationships. FIs must determine the customer's identity and risks while providing seamless CX, not just to keep customers, but to maintain compliance.

Onboarding lays the groundwork for how the relationship will be managed over the entire customer life cycle. At every step, FIs have the opportunity to inspire loyalty or spark attrition.

Explore how NICE Actimize CDD solutions can speed up and streamline your onboarding process.



Schedule a demo

Know more. Risk less.

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About NICE Actimize

NICE Actimize is the largest and broadest provider of financial crime, risk and compliance solutions for regional and global financial institutions, as well as government regulators. Consistently ranked as number one in the space, NICE Actimize experts apply innovative technology to protect institutions and safeguard consumers' and investors' assets by identifying financial crime, preventing fraud and providing regulatory compliance. The company provides real-time, cross-channel fraud prevention, anti-money laundering detection, and trading surveillance solutions that address such concerns as payment fraud, cybercrime, sanctions monitoring, market abuse, customer due diligence and insider trading.

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