With customers now increasingly empowered in their use of paperless finance, they expect their financial provider to offer an optimal customer experience (CX), one that’s consistent across channels, has superior digital functionality, and boasts exceptional ease of use. To illuminate specific opportunities for retail banking leaders, we scored and ranked the customer experiences of 15 top multichannel depository financial institutions (referred to as FIs) for mobile deposit (MD), focusing exclusively on those with a significant number of customers using online, ATM, and branch channels. Digital-only and direct banks were not included within this study. To determine if a correlation exists between customer experience and customer uptake, we also obtained adoption and usage data for these same FIs.

Who is this for?

This report is designed as a guide for retail banking-sector CEOs, line-of-business executives, customer experience professionals, and digital/mobile product leads for shifting customers to higher profit digital-first relationships. Overall, the document is structured as a call to action, with a set of specific targets to help industry leaders and their customers best achieve their financial goals.

Methodology

This report has a primary focus on customer experience for 15 of the largest U.S. retail multi-channel FIs. Working with Comrade, we accessed live accounts for each FI during June and July of 2016, with all research and analysis conducted or supervised by Comrade’s user experience experts. We collected and analyzed CX data across nine user experience or heuristic categories (comprising a total of 51 individual sub-categories) as well as three additional pricing or policy areas. For heuristics areas, FIs were scored based on user experience measures pioneered by Jakob Nielsen, with modification to fit the needs of a mobile deposit application process. In select cases, FI public websites were used as sources of clarity or verification. UX design researchers reviewed all 15 mobile banking applications on a pre-defined scale, and all categories were then weighted based on direction from this project’s leaders.

Online adoption and usage data were sourced from Javelin Strategy & Research for both April-May 2016 and October 2013, with sample sizes of 5,957 and 8,195 respectively. Oversampling for all but the largest banks allowed the data to include sufficient samples to measure customer adoption and usage patterns for each of the 15 banks (ranging from 1,211 to 199 per FI). Adoption and usage data were based on asking respondents – who had already identified a particular FI as their "primary" – when they had last used mobile deposit. To obtain a metric representing each bank’s Highly Active and Inactive users, weighting was applied to the average respondent’s most recent reported use of MD.

Correlation analysis determined how closely FI’s customer experience rankings compared with consumer adoption or usage metrics.
# Table of Contents

Executive Summary 04

Customer Experience Rankings 05

Market-Wide Performance for 15 Top Multi-Channel Banks 06

Detailed Bank Findings 11
  - Bank of America 12
  - BB&T 14
  - BBVA Compass 16
  - Capital One 18
  - Chase 20
  - Citibank 22
  - Citizens Bank 24
  - Fifth Third 26
  - Navy Federal 28
  - PNC 30
  - Regions 32
  - Santander 34
  - SunTrust 36
  - U.S. Bank 38
  - Wells Fargo 40

Additional Best Practices for Adoption 42

Credit Unions & Community Banks 49

Definitions 51

About the Author 57
Executive Summary

Mobile deposit (MD) now provides powerful shared benefits to consumers and banks alike, while ensuring greater stability for the U.S. financial system. Yet 12 years after the 108th U.S. Congress ushered in the Check 21 Act, six out of ten U.S. online customers have yet to deposit a single check via their mobile device. Our research identified a remarkably strong correlation between banks’ MD customer experience and how customers respond, putting to rest the notion that lack of adoption is primarily caused by age or other externalities.

This report is a manifesto for improving customer adoption and usage of MD, by improving ease of use, consistency, and confidence.

The overall majority of consumers continue to sit on the MD sidelines, with only four out of ten online consumers having ever used it. Since banks have already invested in the deployment of MD, what’s holding consumers back? The answer – based on a strong correlation found through this report’s research methods – is as simple as it is profound: banks’ customer experience and related policies need improvement and are likely the fundamental reason why there has not been continued explosive growth in MD.

Our research identifies a high correlation between banks’ MD customer experience and customer response, putting to rest the notion that lack of adoption is primarily caused by age or other uncontrollable factors. The following multi-channel banks have the strongest customer experience (CX) ratings, achieving corresponding MD adoption that is the envy of the retail banking industry:

1. Capital One
2. BBVA Compass
3. Bank of America
4. Fifth Third
5. Chase

Regional banks are now catching up to giant banks in adoption, raising competitive stakes.

MD is one of the most powerful options available to banks for migrating routine transactions out of branches, while still maintaining their presence as a nexus for advice, cross-selling, the closing of loans, and other complex and high-profit activities. For the majority of consumers who have yet to use it, MD is a new opportunity to be surprised and delighted by their primary financial provider.

Where to start?

Mobile deposit is going through an awkward growth phase, with widely varying customer experiences and risk and pricing policies that go hand in hand with equally different outcomes in consumer usage levels/patterns.

Our CX research methodology tracks 51 heuristics, plus policy and fee practices, to identify how customer-friendly each provider’s offering is.

The upshot: Banks have wildly different levels of CX, and the deeper analysis strongly suggest that customers are responding in kind. For an app that helps you more rapidly, safely, and conveniently get access to your money, you just can’t market your way around a second-rate customer experience.

A typical FI should target the following CX areas:

- Deposit error prevention and item processing
- Fees, deposit limits, and physical check retention
- Clearer terminology
- Efficiency of use

As banks make their MD offerings more accessible, flexible, and consistent, more and more customers will switch to this convenient and efficient method of banking, improving the financial condition of both provider and consumer. Checks won’t die tomorrow, so banks can use this period of transition to make tangible improvements.
Customer Experience Rankings

CX rankings are provided for the top 15 retail financial institutions with significant presence via online, mobile and branch channels. Scores show high variability in user experience or related risk policies and pricing for each.

As a part of these rankings, the first nine UX or heuristic ratings reflect the degree to which—for example—a customer can find the named feature on their mobile app, how successfully they’re able to access help during the process, and how well they can locate and/or use an auto-capture feature. Additional categories examine other CX research questions, such as (from a bank policy perspective) do customers have lower deposit limits for mobile banking vs. ATM? Are customers asked to hold on to their physical checks for extended periods of time (e.g. 30 days) after deposit? These policies can create apprehension and distrust for users who think it’s not safe to use MD because they aren’t able to tear up the check immediately after deposit.

All ratings criteria are based on standard design practices, as defined in this report’s final Definitions section.

The following chart shows ratings for the top 15 banks and how they score in terms of their CX measures.

**Fig 1.1 Customer Experience Ranking**

* For further detailed information on heuristics rankings please reference Definitions, on pages 52-56
Adoption, Activity, and Growth Rankings

Banks’ customer experience benchmark standings are closely correlated to the success they achieve in customer adoption, levels of activity, and growth. Note that the FIs in the chart below are intentionally presented in order of their total weighted CX scores (as detailed in figure 1.1), as another way of visually demonstrating the actual correlation figure found in figure 1.3. In short, CX quality predicts adoption to a very strong degree (-.72) of accuracy.

**Fig 1.2 Adoption, Frequency of Use and Growth**

Correlation: nearly three quarters of a typical financial Institution’s MD adoption and usage can be predicted by the strength of their CX.
To win over the majority of their customers who have yet to use mobile deposit, many top-15 FIs can skip past their few strong CX areas identified in this research, and shore up specific targeted areas to prepare for higher digital-channel adoption and usage. CX scores related to Consistency & Standards and Real-Time Status Updates are the strongest average metrics for the average top 15 FI. Conversely, the category most urgently needing attention at the typical bank or credit union is Error & Prevention, which assesses the degree to which customers can intuitively use the feature without safeguards that prevent issues from developing during the process of depositing a check. To improve this particular CX area, FI leaders should focus on tailored error messaging that help users understand and correct issues that pop up while using MD.

During our study, customers also demanded the clearest and most comprehensive information to address their security concerns. Categories such as Item Processing (what happens during MD) or Real-Time Status Updates (“your deposit was successfully processed”) are important factors for a positive overall CX that delights customers and builds their confidence.

“I was afraid to use mobile deposit because I was concerned about safety. But once I did, I couldn’t believe how simple it was!”

Female baby-boomer
In our study, all FIs seem to view MD as a cost-savings opportunity, yet not all appear to take a strategic and long-term approach to per-customer profitability. Two banks view MD as an opportunity for short-term revenue generation, charging a fee for customers on a per-deposit basis. Overall, the results of our overall study suggest that charging for MD will result in some of the lowest adoption scores. Given the lack of acceptance for assigning fees to deposit checks at ATMs or branches, we believe that charging a fee only for mobile deposits not only dampens usage, but also stands in the way of success in other vital and strategic mobile initiatives.

Similarly, banks’ guidelines on how long to retain paper copies of checks also have wide variations. Why is this important? Because banks who ask customers to hold onto their paper checks for a significant period of time communicate the feeling that the deposit may not go through—as opposed to banks who notify their customers within 24-48 hours that their check has cleared and the paper version can be destroyed. As with fees, we believe that FIs should work to achieve more consistency in risk policies across channels to further their most strategic of initiatives.

From a risk perspective, consider the area of greatest variation in our study, deposit limits. Top-rated Capital One allows $10,000 in deposits for both new and returning MD users, in comparison to just $500 for new BB&T customers or $5,000 for returnees at nearly half the banks in our study. Note that MD adoption is competing against branch and ATM channels that don’t impose deposit limitations and have a higher proportion of funds available immediately.

“The one frustration point for me has always been the low deposit limits. Even if there was an additional security step or something, I’d be fine with that...as it happens, I have a check for $8k that I have to trek to the ATM to deposit...”

Male gen X customer of a Giant Bank
Overall MD adoption sits at only 41% of available online customers, which we believe should be viewed as a low mark. In addition, only 53% of customers who use MD are highly active customers and fully one in ten have become inactive users. In practical terms, this means that only about 20% of all bank customers who have an online connection are regular users of MD. Improving this is not only possible, it's a necessity. The two categories of 'highly active' and 'inactive' represent two extremes (of most recent usage, and these two groups fall on either side of the 37% (who are neither highly-active nor inactive, but rather somewhere right in the middle).

**Fig 1.5 Average Adoption, Usage, and Growth Measures Across Banks**

- **Adoption: Customers with Internet Access**
  - 41%

- **Highly Active Users**
  - 53%

- **Inactive**
  - 10%

- **Adoption Growth**
  - 140%

Although a 140% growth rate for 2013-2016 seems exponential, note that this metric is influenced by the lack of initial customer adoption and may not be as dramatic as it appears.
FIs with superior CX have realized the strongest customer adoption, activity levels and growth. To arrive at these findings, we compared a stack-rank of each bank’s CX scores (across the sum of all 12 categories) and compared that to four adoption metrics (both individually and in total). We found correlation between the two categories of measures (CX and adoption or usage) to be strongest when all metrics for the latter category were averaged together. The lone exception to this finding is the measure of a bank’s inactive customers, which is almost as closely correlated to an average bank CX score as the average of all four adoption and usage metrics. Translated, this means that investment in CX should be expected to go hand-in-hand with all important measures of customer adoption or usage. However, if a retail, CX or digital-channels leader occasionally needs a quick and simple litmus test to see how well CX investments are working, they should review the impact on their most inactive MD users.

**How should the results of this study be used?**

1. Discuss the report with CX, product, retail, and marketing professionals to understand competitive strengths and weaknesses. The ultimate goal is to prioritize the areas that will have the strongest expected impact.

2. Understand how select competitors are using superior CX to increase adoption and usage with their customers.

3. Monitor your progress and feel free to share your success with us.

4. Reach out to author, Jim Van Dyke at www.Futurion.Digital regarding available details or additional consultation.
Detailed Bank Findings
Bank of America

#3 in customer-friendly offerings equates to identical achievement in customer usage, although regional banks are rapidly catching up in adoption.

Bank of America is highest ranked of the big banks in customer experience and is a worthy contender in customer-friendly policies, with adoption scores to match. Growth scores also reveal both internal opportunities and competitive pressures.

With an overall third place standing in CX and customer-friendly policy, Bank of America is out ahead of its giant bank rivals and only needs to work on a few pinpointed areas, such as item processing, to compete for top scores in the future. While several other banks are beginning to hit their stride in customer adoption – including the many later-deploying regionals – Bank of America is in a great position to recapture growth and convert more of its 43% of online customers who have never used MD.

Customer Experience

Bank of America received excellent scores in the many categories used to score Efficiency of Use, Real-Time Deposit Status, and Auto Capture & Flow, demonstrating the ability to create a top-ranked app. In most other areas, CX was strong, with the exception of Item Processing; Bank of America was ranked 15th due to visable daily cutoff times for deposits.

With a few CX areas achieving the highest marks and several not far behind, Bank of America is not only the best of all large banks, but can also place distance between itself and the rest of the field with focus on relatively few CX improvement areas.

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<td>Real-Time Deposit Status</td>
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Bank of America!

Ranked 1st - 3rd
Ranked 4th - 6th
Ranked 7th - 9th
Ranked 10th - 12th
Ranked 13th - 15th
Detailed Bank Findings

Bank of America

Fees and Risk Policies

Although Bank of America has deposit limits of $3,000 during the first 30-day incubation period of a new account, it’s still on par with other banks. For its length-of-time-to-hold-check policy, Bank of America currently requests that customers hold the physical check for two weeks before destroying it. Asking customers to hold on to checks after completing a successful mobile deposit is a major friction point that drives potential MD users to the more costly and less convenient branch due to perceived security issues.

Adoption, Usage and Growth

As with most banks, Bank of America’s independently-derived scores in 12 areas of customer experience and policy correlated very closely to consumer adoption and usage. The bank’s very strong third place CX score is the same rank as that achieved in customer adoption and recency. Its tenth place rating in three-year growth reflects, in part, competition from the many regionals that rolled out MD at a later date.
BB&T

With multiple areas for improvement in user experience and customer-friendly risk policies, opportunities abound for BB&T. Adoption and usage numbers are slightly better than what would be expected for CX scores, yet these needs must be addressed soon to protect or even grow current levels of adoption and usage.

Among BB&T’s many CX areas to address, we recommend revisiting risk policies first, then moving to the area of user experience, which represents the lowest scores and highest gap relative to in-footprint competitors. In doing so, the bank should realize growth in adoption and usage levels, rivaling its stronger regional competitors.

Customer Experience

BB&T earned high scores in the five areas studied within the category of Real-Time Deposit Status – a category in which many banks struggled – proving it can provide a strong customer experience. However, CX scores fall rapidly from there, faster than nearly all 15 banks sampled. Several key areas were ranked last, including such as Clear Terminology and Matching User Expectations.

In particular, it was difficult to correct mistakes or go back within the app, as well as to cancel out of most pages. The app itself also did not include an auto-capture function. In terms of clarity, the app does not offer significant help, options or tips, and some of the button terminology is not clear. The capture process also lacked direction, leaving the user to wonder how to capture a successful image.

With many large regionals now topping our ranks in both CX and the correlated adoption/usage, BB&T has the opportunity to improve the customer experience for its MD app.

Heuristics

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BB&T

Fees and Risk Policies
BB&T’s risk policies are the most challenging for customers, out of all 15 FIs we researched. The incubation period deposit limit of just $500 is sure to frustrate many customers. The recommended thirty-day hold on checks is almost double that of most other banks and could further create anxiety and dissatisfaction.

Adoption, Usage and Growth
BB&T’s adoption and usage scores are slightly better than predicted by its CX scores, yet far below those of several other regionals. With future improvement, we expect to see better rates of activity, which in turn that can reduce branch traffic, leading to increased growth and eventually bringing about higher overall adoption.

Customer Adoption
Highly-Actives
Inactive
Growth 2013- 2016

Limits Score
Free Mobile Deposit Service
Length of Time to Hold Check

Ranked 1st - 3rd
Ranked 4th - 6th
Ranked 7th - 9th
Ranked 10th -12th
Ranked 13th - 15th

13
1-tied
14-tied

10
8
12
11

Ranked 1st - 3rd
Ranked 4th - 6th
Ranked 7th - 9th
Ranked 10th -12th
Ranked 13th - 15th
Detailed Bank Findings

BBVA Compass

Regional powerhouse achieves impressive scores in nearly all customer-facing categories, providing opportunity for pinpointed efforts to boost adoption and usage metrics. This regional bank is the role model for all others in the category and for credit unions and community banks as well, while warning larger FIs that size alone is no longer a guarantee of digital success.

Customer Experience

BBVA Compass CX scores are neck and neck with that of leader Capital One in nearly every category, with the strongest opportunities for UX designers in clarity of terminology and matching the expectations set within the app. Additionally, some degree of user testing should enable the bank to round out a few minor imperfections in the many subcategories within key areas of the study (namely Hierarchy & Context, and the challenging area of Error & Prevention). BBVA dominated all traditional regionals in the CX areas of our study, and should be viewed as a key role model for all banks.

Adoption of the BBVA Compass MD app has grown faster over the past three years than that of all other top multi-channel banks in our study, which proves regional banks can now outperform the giants. They are a role model in mobile deposit.

If big banks must now emulate the customer-focused strength of this rapidly improving regional, the same is even more true for other regionals as well as community banks and credit unions. BBVA Compass has perhaps the most ROI to gain by improving just a few scores in customer experience and deposit hold times, because its achievements in adoption and usage have the most to gain in correlation to the strength of its app.

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Ranked 1st - 3rd
 Ranked 4th - 6th
 Ranked 7th - 9th
 Ranked 10th - 12th
 Ranked 13th - 15th
BBVA Compass

Fees and Risk Policies

BBVA scored the highest in two of our three pricing and policy scores, leaving a call to action for their risk specialists to review the length of time customers are asked to hold checks. BBVA recommends asking customers to retain paper check copies for 15 days, which is on par with most banks. With a handful of banks proving liberalization of check hold times can make good business sense, a review of policies in this area should be expected to return significant results in customer confidence, opening the door to greater ROI from stronger adoption and usage.

Adoption, Usage and Growth

BBVA’s adoption and usage scores suggest they could realize the most dramatic outcomes with focus on just a few areas (outlined on the previous page). While our study found a strong correlation between customer-friendliness and adoption or usage, BBVA’s individual correlation was not as strong as other banks. The bank ranks just in the middle tier of adoption among their customers who have Internet connections; both usage recency patterns as well as the proportion of MD users who have lapsed into disuse underscore the need for improvement. Despite these few select opportunities, BBVA’s score in growth over the past three years (at #1 in our overall rankings, and best among all banks in our study) is as impressive as their achievements in customer-friendly app creation and policies.
Detailed Bank Findings

Capital One

Bank innovator dominates all ranking categories, and in turn achieves highest measures of customer adoption. The app is a delight for customers, and the example for others to emulate.

Capital One is the ideal mobile deposit role model for multi-channel banks, earning highest scores in nearly all of our 12 customer-focused categories that go hand-in-hand with achievement in our four customer adoption or usage metrics. It also appears likely their success could have been achieved earlier than the other banks we rated. Capital One set a high bar, and with the publication of this report could realize greater competition in the future. With four of our other rated banks achieving higher rates of adoption over the past three years, Capital One should now shift their attention on two areas to keep the lead. The bank can now focus on a few minor areas of imperfection in order to deliver a more rapid conversion of its remaining MD holdouts.

Customer Experience

Capital One’s mobile deposit app ranked higher than the other top 15 multi-channel financial institutions we assessed. Capital One earned high rankings in many individual categories, Efficiency of Use among them. Members of our team pointed to the clean and intuitive functionality as an example of how to achieve the “wow factor” with customers. A comparison of the bank’s individual CX scores with those of other banks showed consistent dominance not only in areas where others shined (such as Matching User Expectations and Consistency & Standards) but also in categories where few others achieved lower scores (such as Clear Terminology, Error & Prevention, and certainly Item Processing). Capital One deserves the highest of honors for the CX of its app, and clearly serves as the penultimate role model.

Heuristics

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Capital One!

Ranked 1st - 3rd
Ranked 4th - 6th
Ranked 7th - 9th
Ranked 10th - 12th
Ranked 13th - 15th

18 | 2016 Mobile Deposit Benchmark Report
Capital One

Fees and Risk Policies
Capital One’s outstanding MD experience extends across our three categories of customer-friendliness, resulting in their status as the sole bank to earn perfect scores in each criteria. This bank gets it right: you can’t sustain a digital-first business by charging fees for services that are free in traditional venues, and your risk practices must bring the lowest barriers for digital customers as well. While other banks’ policies will undermine their ROI goals by creating customer pause, Capital One appears to have done the behind the scenes work in two areas: staying focused on non-access sources of revenue and excelling in risk mitigation. Their diligence in these areas helps round out the bank’s top scores across all 12 of our customer-focused categories.

Adoption, Usage and Growth
Capital One tops the charts in customer usage (as a percentage of their customers with digital access). Nearly six in ten of the bank’s customers have used the app. The bank’s strengths in CX and policy play out in our two measures of recent usage as well, ranking second only to Fifth Third in proportion of customers who recently used the app. Capital One is again best in latency, having the lowest proportion of customers that use the function only infrequently. Keep in mind, with over four in ten connected customers never having used the app, the bank can’t rest on its laurels; it ranks fourth in adoption growth since 2013, a category in which several later-deploying regionals earned the highest scores.
Chase

#5 in customer experience and friendly policies correlates with similar adoption standings, yet with other banks nipping closely at its heels, they can’t be complacent with current success. Chase ranks among the leaders, yet lagging recency and growth scores make improvement imperative.

Chase’s MD app individual customer experience ratings reflect greater variance than those of many other banks in this study. Chase is among the banks that could benefit the most with pinpointed focus on improvements, engendering greater usage levels and perhaps even loyalty across the board as a result.

Customer Experience

Chase has customer experience scores just above midpoint in our rankings. Interestingly, Chase has perhaps the greatest variation between scores for the nine CX categories that represent over 50 individual criteria. The bank’s CX bragging rights include perfect scores for Consistency & Standards, Item Processing, and Real-Time Deposit Status. Several other areas are on par with the typical performance for other banks in our study. One area, Auto Capture & Flow, is tied for last with only one other bank in our study (Regions). Within this last area, the bank’s scores are hampered by a few lagging aspects: availability of Auto Capture, Ease of Use for camera flash, and the help window. The good news for Chase is improvement in one select area will have significant lift on average customer experience scores, which may boost its adoption and usage profile.

Heuristics

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Detailed Bank Findings

Chase

Fees and Risk Policies

Chase’s hold-time policies are the most friendly of all 15 banks in this study. Practices for deposit limits similarly reflect a risk stance which is not only more evolved but will be simpler for customers to understand, with monthly limits set at a more accommodating $5,000 for both new and existing customers. Overall, fee and risk policies are ready for higher adoption and usage as select improvements to other (UX) areas are made.

Adoption, Usage and Growth

Chase’s overall customer adoption scores correlate very closely with its rating for CX and policies, which is a respectable achievement. The proportion of customers with the most recent use represents a trouble spot, with scores failing to correlate to the bank’s overall CX and policies, which could indicate the weakest heuristic scores need to be bolstered. The bank’s proportion of latent customers is not far behind, indicating an expected number of customers find the app essential only once they begin using it. Growth over the past years also lags behind other similarly ranked banks, but could be primarily due to Chase’s relatively early adoption compared to several regionals in this study. As a card issuance provider, investments in paperless conversion such as MD could also be key to pervasive strategic digital payments initiatives.
Citibank

Citibank, a digital leader among giant banks, surprises with lower-third ratings in UX and risk policies. However, the bank strongly outperforms its CX scores in adoption results – for now at least – yet must realize improvements as growth appears to be slipping.

Citibank had higher adoption scores than would be expected for a bank with second-tier CX or customer-friendly risk policies. Across all banks we researched, the correlation between CX and adoption/usage is remarkably strong, which suggests Citibank should prioritize particular areas of its CX and risk policies to prevent growth from slipping further.

Customer Experience

Citibank, a longtime mobile leader, received a top score in one lone category, Consistency & Standards. Noteworthy, this area of achievement is one in which many other banks failed to perform adequately. Within the eight individual criteria that make up the Auto Capture & Image Capture Flow, the bank scored nearly as well at an average of 95%. Several additional areas represent parity for this banking giant. It was among the lower performers in Real-Time Deposit Status as well as Error & Prevention. While the bank currently has managed to achieve industry-wide leadership in adoption, despite lower than average CX scores, its slipping growth suggests effort must go to improving specific CX areas. The remarkable industry-wide correlation between CX and overall measures of adoption and usage explains why this caution has been raised.

Error and Prevention scored low because the app does not provide error messages when the minimum deposited amount is not met or if the user exceeds daily limits. Further compounding the issue, the error messages are only provided at the end of the process, which is bound to create a sense of frustration and wasted time. There was also some delay in deposit confirmation/ alerts, hence the lower score in Real-Time Deposits.

Heuristics

<table>
<thead>
<tr>
<th>Efficiency of Use</th>
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<td>Real-Time Deposit Status</td>
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Ranked 1st - 3rd
Ranked 4th - 6th
Ranked 7th - 9th
Ranked 10th - 12th
Ranked 13th - 15th
Citibank

**Fees and Risk Policies**

Citibank’s risk policies represent a pair of opportunities to improve its customer-friendly stance, and thus contribute to higher adoption and usage. Monthly limits, both before and after incubation, are remarkably low, particularly for a global bank. Similarly, the recommended period for customers to retain copies of paper checks was up to 15 days, thus negatively affecting customer confidence.

**Adoption, Usage and Growth**

Citibank currently tops the ranks for MD adoption and is nearly as strong in having a low proportion of adopters who have not recently used the app, which represents outsized performance. However, the proportion of customers with the most recent use is lower, and when compounded with the lower three-year growth rate this leaves room for some concerns. In customer adoption and usage the bank is currently performing well despite it’s modest CX scores.
Detailed Bank Findings

Citizens Bank

UX and risk policies reveal room for improvement, with a near-perfect correlation of CX and customer adoption metrics. Despite realizing stronger MD usage and growth levels of late, consumer uptake may succumb to competitive pressure without CX and risk policy improvements.

Citizens Bank has many areas to improve upon to realize enhanced MD adoption while future-proofing its aging customer base. While such an effort can be daunting, we recommend starting with a revamp of risk policy in order to remove unnecessary hindrances to usage. Next, identify select app areas that bridge the widest gaps relative to targeted competitors. Monitoring customer reactions closely – both in sentiment and actual adoption or usage patterns – will both help stay the course while revealing opportunities to leap ahead.

Customer Experience

Citizens can create a great customer experience but has shown some inconsistency. For instance, their high rankings in Real-Time Deposit Status are followed by mediocre scores within other measurement areas, such as Matching User Expectations or Auto Capture & Image Flow.

There were also areas that lacked sufficient direction during the photo capture process. Deposit limit information is less accessible than in other banks’ apps, with our researchers needing to search for relatively longer time to find them. The incubation period during which a new customer’s limits can increase is much greater than for other banks.

Citizens has significant work to do in customer experience. It can and should follow both its own example in Real-Time Deposit Status as well as those outlined in this report for its selected competitors to realize improvements in profitable patterns of channel traffic, loyalty, and product revenue.

Heuristics

Efficiency of Use
Clear Terminology
Match User Expectations
Consistency & Standards
Hierarchy & Context
Error & Prevention
Auto Capture & Flow
Item Processing
Real-Time Deposit Status

Heuristics

15
3-tied
12
13-tied
7-tied
8-tied
10-tied
6-tied
1-tied

Ranked 1st - 3rd
Ranked 4th - 6th
Ranked 7th - 9th
Ranked 10th - 12th
Ranked 13th - 15th
Citizens Bank

Fees and Risk Policies

Citizens has many needs related to MD improvement. Yet the good news is improvements in just two areas – limits for both new (primarily) and existing users and the length of recommended time customers retain paper checks will create a substantial boost in customer delight.

Adoption, Usage and Growth

Citizens Bank’s rank for percentage of online customers who use MD is identical to its CX and risk policy rank, as is the case for many banks in this highly correlated study. Perhaps a superior overall experience in digital compared to branches explains the relatively stronger scores for both proportion of Highly Active (or ‘recent’, to be more precise) and nearly-abandoned (Inactive) scores. Meanwhile, Citizens holds a surprising third place in growth over the past three years, yet this may simply reflect a relatively later date for initial deployment of MD compared to more digital-first rivals.
Fifth Third

Fifth Third surprises with a powerful fourth place position, demonstrating this rust-belt regional can compete with the giants when it wants to.

Fifth Third has created an MD app to be proud of, and is in a great position to achieve even higher adoption with a few targeted improvements. The results of our study are clear: focus first on two disproportionally lagging CX areas (that are also problematic for many others) and adjust risk policies during the new user stage. Then market the service more aggressively to earn the levels of customer adoption this outstanding offering deserves.

Customer Experience

Fifth Third’s scores bring it to the front of the pack trailing behind the absolute leaders, an impressive feat for this regional with a relatively traditional customer base. High scores were received from our CX researchers in Consistency & Standards, Auto Capture & Flow, and the relatively thorny area of Item Processing indicate a positive customer experience is possible throughout their MD app. The bank’s app ranked between the 9th and 10th position in four more CX areas, but dropped off sharply in two areas which also tripped up most of the other banks in our study: Hierarchy & Context, and Error & Prevention. With a more traditional customer base than some of the giants, we expect attention to these two categories will yield the strongest impact in customer usage and loyalty, as a platform for reduced costs and higher revenue everywhere.

Error and Prevention scored low because the app does not provide error messages when the minimum deposited amount is not met or if the user exceeds daily limits.

Heuristics

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</table>
Fifth Third

Fees and Risk Policies

Fifth Third shined in its fees and risk policies areas, with stances that will allow it to welcome the usage-averse customers often more successfully courted by the biggest banks. Just one area represents an opportunity to achieve a perfect customer-friendly stance here – lessening the limits on deposit amounts, and primarily just during the incubation phase.

Adoption, Usage and Growth

As with most banks in our study, the CX and policy scores correlate closely with customer adoption and other usage patterns. Once Fifth Third customers adopt, they use MD with the highest (most recent) levels of usage; the corresponding low numbers of latent users shows consumers feel hooked. Growth is among the highest of all banks we studied, though Fifth Third may have potential to more aggressively market the app, as customer adoption is only mid-pack for an offering deserving of a much higher overall usage achievement level.
Navy Federal Credit Union

Navy leads most other FIs in adoption, likely on the strength of a few key CX areas that tripped up others. Yet overall app issues and one policy area could use improvement, which should pay dividends in both active members and future growth.

Navy has an opportunity to focus on a select few areas of customer experience or friendliness and achieve even higher frequency of use. Because of the significant disparity in just a few low scores, this study reveals a relatively higher payoff from pinpointed areas of focus. Just two areas of improvement – Item Processing and monthly limits during incubation – would dramatically boost this high-satisfaction FI’s report scores, with likely follow-on improvements in recency, growth, and customer satisfaction.

Customer Experience

Navy has long been a digital leader, and with just 233 branches it has earned several high customer experience ratings. While the majority of banks struggle with the five individually rated areas that make up Error & Prevention, Navy rated number one within that category. Navy was also among only half of the 15 rated banks to score highly in Real-Time Deposit Status, where it again rated number one. Several other strong areas follow, such as Matching User Expectations and Hierarchy & Context. Item Processing is the most noteworthy area in which Navy could improve, particularly with many banks earning some of their strongest scores here.

Navy scored low in Item Processing due to unclear display of cutoff times for deposits. This could potentially frustrate a user who might spend time going through the deposit only to find out they are past the allotted time cutoff.
Navy Federal Credit Union

Fees and Risk Policies
While the nation’s largest credit union stays true to expectations in avoiding fees for MD, its risk policies are more surprising. No checks may be deposited during the incubation period, in comparison with competitors whose limits range from $500 to $10,000. We believe other FIs’ successes in this category point to opportunities for this much endeared Navy to examine even more member-friendly policies.

Adoption, Usage and Growth
Navy breaks from this study’s norm in achieving MD adoption which outpaces its CX rank, likely reflecting it having just a few hundred branches (barely making the selection criteria for this report). Other usage numbers are right in line with its CX rating, likely reflecting members’ perceived challenges in using the app. While this storied digital-channel leader has many MD strong points to be proud of, it should monitor it’s proportion of inactive members closely in order to maintain or grow leadership market position.
Detailed Bank Findings

PNC

Mid-range performance for this larger regional and digital leader represents important opportunities to improve levels of customer adoption and frequency.

PNC can target specific CX and risk policy areas to realize improvement in the recency of the average user’s participation, while similarly seeing some improvement among customers who only infrequently use MD. Such changes will be necessary for the bank to realize higher ROI resulting from greater loyalty to the app. With several regionals quickly gaining on the giants in CX and adoption scores, we recommend PNC focus on this study’s leaders and target areas such as Error Prevention and/or Item Processing.

Customer Experience

PNC’s MD customer experience represents some high and mid-pack scores, with several important opportunities to improve. The bank achieved high marks in the five individual CX areas, with excellent ratings in both Consistency & Standards and Matching User Expectations. PNC’s customer experience begins to drop in several other areas that similar-performing banks also struggled in; this calls for the bank to compare itself only to the highest ranked banks in this study to realize improvement opportunities. PNC struggled the most in the two areas that tripped up many other banks: Item Processing and Error & Prevention.

PNC’s low scores are primarily due to the lack of visible deposit limits or cutoff times, leaving the user in the dark as to how much they can deposit and when. This factor contributed to lower scores in both Error & Prevention and Item Processing. PNC was also hit for a lack of real-time deposit updates, emails, text messages or confirmations.

Heuristics

<table>
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</table>

PNC can target specific CX and risk policy areas to realize improvement in the recency of the average user’s participation, while similarly seeing some improvement among customers who only infrequently use MD. Such changes will be necessary for the bank to realize higher ROI resulting from greater loyalty to the app. With several regionals quickly gaining on the giants in CX and adoption scores, we recommend PNC focus on this study’s leaders and target areas such as Error Prevention and/or Item Processing.
Detailed Bank Findings

PNC

Fees and Risk Policies

PNC’s risk polices are among the more conservative in the industry, providing an call to identify how this study’s leaders in CX and adoption are managing to succeed with a far more customer-friendly stance. PNC recommends users hold onto their checks for two weeks, which we believe causes significant concern with customers regarding the trustworthiness of the function.

Adoption, Usage and Growth

As with the great majority of banks in this study, the correlation of CX and customer-friendly policies predict measures of adoption with remarkable accuracy (both rank #9 for PNC). Yet two proportions of usage patterns reveal a stronger need to improve customer experience: the lower rankings for proportion of highly-recent and potentially-lapsed customers. PNC should monitor it’s customers’ frequency (or to be most accurate, recency) in order to ensure future CX investments are having the desired effect.

Limits Score

Free Mobile Deposit Service

1-tied

Length of Time to Hold Check

8-tied

Ranked 1st - 3rd

Ranked 4th - 6th

Ranked 7th - 9th

Ranked 10th - 12th

Ranked 13th - 15th

Customer Adoption

Growth 2013- 2016

9

14

11

6

Ranked 1st - 3rd

Ranked 4th - 6th

Ranked 7th - 9th

Ranked 10th - 12th

Ranked 13th - 15th

Free Mobile Deposit Service

Length of Time to Hold Check
Regions displays the strongest opportunity for improvement in this study, yet with adoption and usage scores matching CX and risk policy ratings, targeted improvements should yield measurable benefits.

Regions has the most to gain by improving the CX and customer-friendly policies of its MD app. Any late adopting financial institution can become the rare authentic “fast follower” by using data to ignore the many investments made in CX or risk policy by industry leaders which didn’t pan out. With industry-wide adoption of MD barely topping 40%, Regions is among the many late-blooming banks in this study who can take a pinpointed approach to creating just those improvements which most correlate with success in adoption, recency, latency, and growth.

Customer Experience

Regions is among just half of the banks we rated to earn top marks within the five areas constituting Consistency & Standards, proving Regions can get it done. With two areas of ratings in the Top 2 and 5 range – Clear Terminology and Efficiency of Use – many other strong or respectable areas of the bank’s MD app are present. Scores drop off sharply from there, with Regions earning some of the very lowest scores for the three areas representing reasonable challenges for many of its competitors: Hierarchy & Context, Error & Prevention, and Item Processing. The bank did not have a function to rate within Auto Capture & Flow, where scores most significantly reflected a highly limited customer experience.

The app scored low in Item Processing due to not making limits or cutoff times easy to find. Relative to competing banks’ apps, Region’s customers have to work much harder to drill down for these details.

<table>
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<tr>
<td>Real-Time Deposit Status</td>
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</table>
Regions

Fees and Risk Policies

Regions is again unique among the large 15 multi-channel banks we assessed, with the strictest risk limits. Regions represents one of only two banks to assess a fee for MD use. Additionally it requests customers to retain physical checks for 30 days which is unnecessary, and may cause undue customer concern and hamper usage. Especially with a lack of parity in pricing, the bank can’t afford to further erode customer confidence with such positions or usage will continue to suffer.

With mobile point of sale payments likely being the next significant battleground for bank interchange revenue, we recommend that Regions reconsider the decision to assess fees for MD when the equivalent service is free in branches or ATMs (because such a practice will stymie the bank’s overall efforts to migrate digital-first consumer segments).

Adoption, Usage and Growth

Regions ranks second to last in adoption among its customers who have online access, reflecting a relative rejection of the go-to-market offering. Even among those who have adopted, rankings for customers with higher recency or nearly abandoned usage also place last in our study. Similarly, the bank experienced the smallest level of growth over the past three years among all banks studied.
Detailed Bank Findings

Santander

Many areas in which to score wins, including a mix of UX areas along with check-hold recommendations that are ready to be adjusted for a more customer-friendly stance.

Santander’s scores (based on a combination of fresh CX and fee or policy data, compared to a growth-inflated estimate of 2016 adoption based on 2015 actuals*) reflect an offering with a few moderately strong points as well as several opportunities for improvement. Several CX areas should be targeted for upgrade, with readjusted customer check hold times that are readjusted to communicate the bank’s confidence in the safety and functionality of its app.

Customer Experience

Santander’s 50+ individual mid-range CX scores are wide-ranging across our nine overarching categories. Consistency & Standards areas were scored the highest by our CX researchers, followed closely by Auto Capture & Flow, Efficiency of Use, and Matching User Expectations. Several other CX areas represent a need for improvement, including Hierarchy & Context. While many banks scored low in Error & Prevention and Item Processing, Santander actually ranks worse than many of the others in these two areas. Santander is among just three banks to score very low in Real-Time Status Updates, calling for a significant review of this area to remain competitive.

The main cause of these low scores is the lack of visible deposit limits or cutoff times, leaving the user in the dark regarding how much they can deposit and when. Our researchers also questioned the real-time status updates, with some perceiving that they were delayed and did not occur in real time. We advise a shorter recommended hold time in order to generate higher confidence, adoption, and usage levels.

*All Santander adoption and usage figures are projected for 2016, based on 2015 data that was increased to reflect industry-wide adoption growth between 2015 and 2016. This was necessary because of both the bank’s later deployment of MD and 2016 research sample size being of insufficient quantity to ensure quality.
Santander

Fees and Risk Policies

Santander’s risk policies are among the more conservative of those studied, and could be revisited to improve customer adoption metrics described in the following section. Otherwise, the bank’s policies are ready for growth that is expected to follow improvement in UX areas described on the previous page.

Adoption, Usage and Growth

Based on our best-possible estimate* of 2016 adoption and activity patterns, Santander may suffer from some of the lowest rates of adoption in our study group. The bank enjoys a healthy proportion of customers who have used the app on a recent basis, yet problem areas are evident in the very low ranking for the proportion of customers who have essentially lapsed in usage. Given the strong aspirations of this now-global player, Santander could be a future most-improved player.

*All Santander adoption and usage figures are projected for 2016, based on 2015 data that was increased to reflect industry-wide adoption growth between 2015 and 2016. This was necessary because of both the bank’s later deployment of MD and 2016 research sample size being of insufficient quantity to ensure quality.
Detailed Bank Findings

SunTrust

This southern regional FI scores mid-pack for areas of UX and customer-friendly policies. Current adoption and user growth lag behind others, suggesting urgency of specific improvements.

Once customers are onboarded with SunTrust’s MD app, their patterns of recent usage suggest they are fairly happy and loyal (as are many SuTrust customers overall), yet the bank needs to change something to realize increased ROI. A few lower CX scores could be the key, driving improved word-of-mouth referrals. On the other hand, marketing improvement or risk policies could yield the ROI benefits SunTrust deserves from the investment it’s made in most areas of customer experience.

Customer Experience

SunTrust boasts impressive customer experience areas but also displays particular CX scores in need of improvement. The bank’s Real-Time Deposit Status capabilities are superb, as represented by high scores across the unique five criteria comprising the category. Consistency & Standards excellent marks by our CX researchers, with Auto Capture & Flow coming in not far behind. Many of SunTrust’s scores within the other 50 individual CX criteria are mid-pack. SunTrust shares its two most problematic CX areas with at least half the other banks in our study – Error & Prevention and Item Processing. These categories represent strong potential differentiation opportunities.

SunTrust's app is also hampered by a lack visibility with deposit limits and error messages, which risks causing users to waste time while feeling the discomfort of not knowing limits and cutoff times.

Heuristics

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<tr>
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*Ranked 1st - 3rd
*Ranked 4th - 6th
*Ranked 7th - 9th
*Ranked 10th - 12th
*Ranked 13th - 15th
SunTrust

Fees and Risk Policies

Similar to Suntrust’s other CX scores, the bank’s risk policies reflect a position neither significantly higher nor lower than that of other banks. Yet adoption and usage scores (in the next section) suggest this could be among the many customer-friendly positions which might be reassessed to derive higher benefit for both the bank and its customers. Particularly given Suntrust’s relatively more conservative customers, recommended check retention times should be reassessed so as not to raise concerns.

Adoption, Usage and Growth

SunTrust lags in adoption relative to its CX and related policies. At second-to-last in three-year user growth (2013-2016), the bank is actually slipping behind rivals. Interestingly, the proportion of customers with either highly recent or latent usage is proportionate to its CX and policy leadership.

Limits Score

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Free Mobile Deposit Service

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Customer Adoption

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Inactives

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Growth 2013-2016

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</table>
Near-giant achieves healthy scores on CX but takes the road less travelled on fees, dampening adoption and usage.

Customer Experience

U.S. Bank boasts several areas of CX to which our researchers awarded a perfect score, including Efficiency of Use, Error & Prevention (an area where most other banks scored poorly) and Real-Time Deposit Status. Several other areas represent an impressive customer experience. U.S. Bank scores lower in Consistency & Standards and Clear Terminology, not only falling below its own average but also below comparable banks. The bank’s lowest scores were in Item Processing, yet these scores remain comparable to many competitors as Item Processing proved to pose an industry-wide challenge.

U.S. Bank has a two fold problem with Item Processing. First, they don’t communicate limits unless the user drills down, which creates a sense of inconvenience and uncertainty. Secondly, they don’t display cutoff times for making a deposit. The good news: by working on the UX disparity that is primarily evident in just these two or three areas, they’re ready for higher adoption and usage.
Detailed Bank Findings

U.S. Bank

Fees and Risk Policies

Only U.S. Bank and Regions charge for mobile deposit and unsurprisingly both are realizing levels of adoption below their peers. U.S. Bank’s decision to charge fees for using a low-cost digital channel like mobile certainly pushes customers to visit higher cost channels (specifically, the branch), the cost of which could exceed any fee revenue U.S. Bank is realizing from MD. With mobile POS payments a likely future bank battleground, by charging a fee for something free in other channels the bank may be strategically hurting it’s ability to achieve profit in the future.

Within the digital area, customer self-servicing should always come with an understanding that there should not be a charge for customers to do something that benefits the bank compared to other channels. With mobile point of sale payments being the next long-term battleground for bank interchange revenue, there is now even more reason for U.S. Bank to reconsider fees that could hold it back with overall digital migration success.

Adoption, Usage and Growth

U.S. Bank ranks in the middle to bottom of the pack in regards to its adoption and active users. This is expected based on the fees imposed on mobile deposit usage, which is proving to be a significant deterrent for customers.
Wells Fargo

Being ranked #6 in UX and policies places giant bank among the top third, but results have yet to translate to customer usage.

Taken in tandem with three-year adoption growth, Wells Fargo has some strong opportunities to improve customer loyalty and comfort and in turn realize higher usage and growth. With Wells Fargo being a rare contrast to the overall correlation trend found within our study, we can confidently say their MD offering is relatively stronger than the adoption and usage benefits they – and their customers – are realizing.

Translated: After pinpointing the most specific few needy areas, Wells Fargo likely has the most to gain among the top-ranked banks in our study by improving their CX. We recommend first identifying where a few of the lowest scores in CX and policies can be quickly improved, and then examining more in-depth usage, competitive research data, or current marketing approaches to pinpoint opportunities to realize the payoff our correlation finds other banks are realizing.

Customer Experience

Wells Fargo rounds out our top-rated group of five FIs, coming in second among the largest four we included in our study. The CX rankings reflect the highest score from our CX researchers for Item Processing, and near-perfect scores for the ten individually areas making up Hierarchy & Context. The bank stumbled to just a #12 ranking in Error and Prevention because the app does not provide error messages when the minimum deposited amount is not met, allowing the user to proceed to the capture window. It should be noted that this challenging MD deployment area is one in which nearly half of all banks in our study scored similarly. With our overall study finding CX scores have a remarkably strong correlation to customer usage, Wells can expect to achieve the strong gains in adoption and usage by emulating the few banks that lead in this particular category (see Figure 1.1).
Wells Fargo

Fees and Risk Policies

Wells Fargo’s risk policies for monthly deposit limits are conservative compared with this study’s leaders, both during and after customer incubation. On the network effect of data behind its large customer base, we believe Wells Fargo can reexamine its risk stance to allow a more customer-friendly approach, thus driving higher usage.

Adoption, Usage and Growth

Wells Fargo’s mid-to-trailing scores in adoption belie their stronger standing in customer experience and related policies. Customer adoption among their online consumers trails their CX and policies position by three points, with both of our weighted measures of the average customer’s most recent use being near the lowest among all studied banks. Growth figures are only slightly better than recency scores, coming in at 11th in our study of 15 of the largest multi-channel banks. After shoring up just a few UX areas, perhaps efforts in education, marketing or even cross-channel staff training is what Wells could benefit from the most.

Customer Adoption

Highly-Actives

Inactives

Growth 2013-2016

Limits Score

Free Mobile Deposit Service

Length of Time to Hold Check

<table>
<thead>
<tr>
<th>1-tied</th>
<th>3-tied</th>
<th>5-tied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranked 1st-3rd</td>
<td>Ranked 4th-6th</td>
<td>Ranked 7th-9th</td>
</tr>
<tr>
<td>Ranked 10th-12th</td>
<td>Ranked 13th-15th</td>
<td></td>
</tr>
</tbody>
</table>
Additional Best Practices for Mobile Deposit Adoption
Best Practices for Remote Deposit Adoption

Although the focus of this benchmark has been primarily on Customer Experience, the following additional best practices within marketing and education can also expedite adoption and usage of mobile deposit.

Customers need to know that the feature exist, they want to learn how it works, and they seek support from traditional channels such as branch tellers, bankers and through the phone. If bankers are unaware of policies or are hostile to mobile deposit adoption because it reduces branch traffic, this may cause customers to be skeptical of using the service themselves.

**Mobile Deposit Adoption Best Practices**

<table>
<thead>
<tr>
<th>MARKETING</th>
<th>EDUCATION</th>
<th>ADOPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generating Awareness</td>
<td>Educating Customers</td>
<td>Customer Experience</td>
</tr>
<tr>
<td><strong>PROMOTION</strong></td>
<td><strong>TEACH USERS</strong></td>
<td><strong>CUSTOMER EXPERIENCE</strong></td>
</tr>
<tr>
<td>• As a customer, do I know about the benefits of mobile deposit?</td>
<td>• Do you provide me FAQs that help me understand what is involved with mobile deposit?</td>
<td>• Is your customer experience optimized to meet customer expectations?</td>
</tr>
<tr>
<td>• Are there ads that communicate the available feature?</td>
<td>• Is your bank staff incented to help me use MD? Best practice includes training programs for bankers on using the mobile app and how to show customers when they’re in the branch.</td>
<td>• Are your policies supportive of MD usage or are they a friction point?</td>
</tr>
<tr>
<td>• Are their communications that remind me about MD when I’m using online banking or other channels?</td>
<td>• Do you provide informational content like videos that demonstrate how to use mobile deposit?</td>
<td>• Are banking hold times within a reasonable standards between 2-3 days or excessive — i.e. with BB&amp;T where hold times are as long as 90 days!</td>
</tr>
</tbody>
</table>
Promotion

Marketing: Paid advertising

Original ads were focused on general mobile banking, however, the recent trend has seen specific messaging around Mobile Deposit benefits and ease of use.

Bank of America has launched a national advertising campaign promoting their mobile banking application. Their messaging revolves around the convenience of mobile deposits and customers being empowered to deposits checks when they want.

In Q2 2015, Chase launched an advertising campaigns for its consumer banking in an effort to reach the growing number of consumers who bank digitally.

Called "Masters," the push aims to show how Chase's digital banking products -- like mobile banking, ATM check deposits and online bill pay -- make life easier, so customers can spend more time pursuing their passions. The "Masters" campaign features tennis star Serena Williams, fencing champion Tim Morehouse, celebrity pet trainer Joel Silverman and the Rockettes.
Promotion

Cross-channel Promotions

Promotion of MD within branches with tellers, at the ATM, or during customer’s online banking experience.

**Wells Fargo** promotes the use of MD during the ATM experience. The positioning is about how secure, easy, and convenient the experience can be for customers.

![Wells Fargo ATM](image)

**Capital One** promotes the use of MD within its customer-facing online banking experience.
Banker Training

It’s equally important to communicate to customers and bank support staff about how to use MD. Banks that use content including videos and FAQs to explain the ease of use create lower barriers of entry for their customers. Additionally, banks who train and encourage branch and phone staff to promote MD also increase the likelihood of adoption. In our research, the results were fairly mixed in terms of banks who had tellers and front-line staff that were unaware of the feature and could not explain what the policies were for use. In certain banks, MD has been incorporated into their banker trainer programs.

“I asked my teller when my funds would be available if I used mobile deposit and they said it would be faster if I always went to a teller in the branch.”

Gen X male research participant

Content Marketing

Featuring videos and helpful tutorials on how to use mobile deposit
Customer Experience

The CX measures are based on defined standards for best practices within usability and bank policies, fees, and length of time to hold checks.

**Usability Heuristics**
- Efficiency of Use
- Clear Terminology
- Match User Expectations
- Consistency & Standards
- Hierarchy & Context
- Error & Prevention
- Auto Capture & Flow
- Item Processing
- Real-Time Deposit Status

**Policies**
- Deposit Limits
- Fee for Using Mobile Deposit
- Length of Time to Hold Checks after Deposit

* For further detailed information on heuristics rankings please reference pages 52-56

Wells Fargo includes help content that is easily accessible throughout the MD process.
Adoption

**Capital One** includes a prominent placement within the four major tasks to self-service within the mobile application. By featuring MD in a persistent tool bar, there’s an emphasis for customers to use MD.

**Bank of America** clearly displays deposit limits, which are relatively high in comparison to other FIs. It’s included through the MD process, so customers are always aware of how much they can deposit monthly. This app also provides GIFs of the captured images to help assure customers.

**SunTrust** includes tutorial which includes Auto Capture technology, the use of flash for the camera, help notifications, and a progress bar.
Credit Unions and Community Banks: Outmaneuvering to Win

Adoption, Recency of Usage and Growth

<table>
<thead>
<tr>
<th></th>
<th>Overall U.S. Average</th>
<th>Giant Banks</th>
<th>All Regionals * (&amp; Navy FCU)</th>
<th>Community Banks</th>
<th>Credit Unions (not Navy FCU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Adoption</td>
<td>41%</td>
<td>52%</td>
<td>39%</td>
<td>23%</td>
<td>29%</td>
</tr>
<tr>
<td>Highly-Actives</td>
<td>52%</td>
<td>54%</td>
<td>52%</td>
<td>47%</td>
<td>44%</td>
</tr>
<tr>
<td>Inactives</td>
<td>10%</td>
<td>9%</td>
<td>10%</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Growth 2013- 2016</td>
<td>141%</td>
<td>122%</td>
<td>165%</td>
<td>0%</td>
<td>155%</td>
</tr>
</tbody>
</table>

Our study is of significant relevance to all regionals or community banks and credit unions, even though we only collected CX and related pricing or policy aspects for 15 selected large multi-channel financial institutions. Our goal is to help CX, digital, and other key leaders at all U.S financial institutions determine how to best assess, prioritize, and implement improvements to their MD offerings to win with customers.

A few years ago, community institutions were primarily at a disadvantage against the four giant banks in MD, yet now this is often true in comparison to regional banks as well. Through our marketing research partner (Javelin Strategy & Research), we provide our four adoption and usage metrics for MD by overall category of FI above. Unsurprisingly, this data shows giants lead in adoption compared to smaller banks, yet with regionals gaining much ground over the past few years the difference in typical proportion of highly-active vs. inactive customers varies little.

Community banks increasingly find themselves in the weakest position, having realized no net growth in MD adoption over the past three years. Credit unions are faring much better as a group, having experienced growth topping 150% over the past three years, outpacing the giants and rivaling the later-deploying regionals.

Among their customers who have adopted MD, both credit unions and community banks struggle with a lower proportion of active users and a higher proportion of inactives. This suggests that significant problems exist with customer experience or related pricing and risk-policy practices exist at these vital smaller institutions. Given that a higher proportion of older consumers who generally use smaller FIs are also likely to be using checks in greater proportion, it’s particularly troubling to see the higher proportion of inactive users among those who have adopted MD at small FIs. We urge community institutions to apply the general findings of this study to their offerings and strategies, so as to build on their inherent affinity advantage and ultimately win.

*Includes all regional banks profiled in this report, plus select others
Definitions
Definitions: Heuristics

Efficiency of Use – The system should cater to both experienced and inexperienced users and allow users to tailor frequent actions.

- The system is easy to use – All users are able to navigate and operate through the app with ease
- Findability – The MD function is easy to locate within the app

Clear Terminology – The system should speak the user’s language, with words, phrases and concepts familiar to the user, rather than system-oriented terms and banking jargon. Follow real-world conventions, making information appear in a natural and logical order.

- Account information – The user can see all relevant account information clearly and concisely
- Help & documentation - User can easily locate help options and assisted documentation
- Monetary Values – All monetary values are displayed clearly and concisely
- Limits – Deposit limits are easy to find and understand
- Check Image Captures - Instructions for photographing a check for deposit are clear and easy to understand
- Buttons/ Actions – Each button clearly conveys the action it performs
- Options – Users can easily see the options available (ex: change accounts, cancel deposit, read help topics)

Match User Expectations - All dialogues are easy to understand and able to clearly and easily instruct the customer to perform necessary actions. Users wish to be:

- Able to select accounts / change accounts – User can select or change the account to which they will deposit their check
- Able to enter dollar amount seamlessly
- Able to open up help/ tips easily – Easily access help and/or tips during the process
- Unable to take photos due to missed/incorrect action – The app should not let users proceed until they have captured a correct image of their check
- Given direction on photo capture – The user should be instructed to hold the camera steady, find clear lighting, etc.
- Funneled toward the objective – All actions should clearly be steps toward the final goal of a successfully deposited check
- Able to easily correct errors – User can see and edit deposit information all through the process
- Able to cancel or sign off at any time throughout the process – Closing out a session should pose no risk of a prematurely or incorrectly deposited check
Definitions: Heuristics

**Consistency & Standards** - Users should not have to wonder whether different words, situations, or actions mean the same thing. Follow platform conventions.

- Are style and colors for appropriate banking institutions being followed? The look and feel (colors, fonts, graphics) match what users associated with the bank’s materials and branding, and are appropriate for a fiduciary institution.

- Are user inputs consistent across the system? Actions users take work consistently across the app. For example, entering a dollar amount should work the same way every time.

- Are account information and limit values all readable and easy to understand? Users can clearly and easily locate and understand all account information, deposit limits, deposit cut-off times, etc.

- Are titles, labels, and actions are clearly defined and do they follow the same design patterns? Text, labels, and buttons should work together to create a consistent experience.

- Do photo capture actions match for both front and back capture? The instructions users read and actions they take should be the same for photographing both the front and back of every check.

**Hierarchy and Context** – The hierarchy and context should easily funnel the user through their actions in order to reach their desired goal with no confusion.

- Users must be told the daily cutoff time for deposits first, clearly displayed at the beginning of the process.

- The help option must be easy to identify.

- Users should be able to choose the account to which they will deposit before entering the dollar amount of the deposit.

- Automatic photo capture features should take accurate photos of the front and back of every check.

- Photo tips should be easy to access.

- Users must be able to cancel out of taking a picture at will.

- Help should be easily accessible within the capture window.

- Users should be able to manually capture an image of the front and back of their check and have the app accept such submissions.

- The deposit should be easy to complete once a check has been properly photographed and the correct information entered.
Definitions: Heuristics

**Error Prevention** - Good error messages are a vital design element, preventing problems from occurring in the first place. Either eliminate error-prone conditions or check for them and present users with a confirmation option before they commit to the action.

- Help is available and accessible at all times
- Tips are accessible and functioning during photo capture
- Photo capture error messages assist in the capture
- The app alerts users who enter incorrect or insufficient dollar amounts when depositing checks
- Users are made aware of deposit amounts exceeding their current deposit limits

**Auto Capture** – The check image is captured automatically when the “best” conditions are detected by the app.

- Users should be automatically taken to the auto capture feature once all prior steps are completed.
- The process of capturing an image is the same for both the front and back of a check
- Users should be able to toggle their phones flash when photographing a check
- The app should provide an error message if the phone is too unsteady to take a clear image
- If the app provides a sizing window to frame or outline the check during image capture, this feature should function correctly
- The help window must be available and functioning properly during image capture
- Users must be able to cancel image capture at will

**Item Processing** - The transaction is processed and functions as expected, providing notifications and displaying the proper data

- Are the correct limits visible (amount, cutoff time etc.)? The app clearly displays deposit limit, cutoff time, and processing time in a way users can easily understand
- Are they customer specific? Deposit limits are not based on a bank defined amount but how much customers may have in relation to their current account balance. Or if you are a premiere account holder your daily and monthly limits may be higher than the standard checking account.
Heuristic Definitions

**Real-time Deposit Status Updates** - Is this information current, correct, and occurring in real time?

- Are the deposits current? Deposits should be accepted in real time.
- Does the bank receive deposits in a timely manner? Deposit status is to be provided immediately, letting users know their deposit is being processed in a timely manner.
- Are funds available when promised? Funds must be available to the user no later than indicated by the app at the time of deposit.
- Does the user receive a confirmation message once the action is completed? Email or in-app confirmation should be sent immediately upon receipt of the deposit.
- Are the fund values correct? The funds deposited into the user’s account should match their deposit submission exactly. However, if that is not the case the bank should notify the customer that a correction was made.
Definitions: Adoption, Frequency, and Usage

Each of the following four measures of adoption or usage are based on the particular bank customers who have online access (based on annual nationally-representative research surveys by Javelin Strategy & Research, deployed online or via mobile).

**Customer Adoption:** The proportion of each bank’s customers who have ever used MD with the bank.

**Highly Actives:** The proportion of each bank’s customers who have most recently used MD. This figure is based on an aggregate formula which assigns the greatest weight to those who have used MD in the last 24 hours, moderate weight to those using it 1-7 days ago, and lightest weight to those using it in the past 8 to 30 days.

**Inactives** The proportion of each bank’s customers who have not used its MD app in an unusually long time, which is a general indicator of perceived lower utility or convenience. This figure is based on an aggregate formula which assigns the greatest weight to those who have not used MD in over a year, with secondary weighting assigned to those who have used it sometime between 4 and 12 months ago.

**Growth 2013-2016:** This figure compares the bank’s customer adoption at two points in time, dividing adoption in Spring 2016 over adoption for Fall of 2013.
About the Author

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Jim Van Dyke, CEO of Futurion, is a research-based strategic technology consultant, helping leaders capture the future of digital consumer identity, payments and financial services.

Prior to Futurion, Jim founded and led Javelin Strategy & Research. Mr. Van Dyke also volunteers on the Consumer Advisory Board of the Consumer Financial Protection Bureau (CFPB), with a focus on fintech. He has held various research, strategy, and management positions in his 30+ years of experience in digital commerce. Jim has presented to venues including executive boards, vendors’ client summits, and agencies including the U.S. House of Representatives (Congress) and Ways and Means Committee. He has been widely cited in global media including Bloomberg, Financial Times, Fox News live television, National Public Radio (NPR), the front page of the New York Times, and Wired. Learn more at www.futurion.digital

Contributor:
Comrade is a full-service digital agency that improves customer engagement and gets digital innovations to market quickly.

Customer experience metrics include heuristic data measuring user experience and mystery shopping research obtained in active partnership with Comrade. Fees, deposit limits, and check retention policies were obtained through publically available data from each bank.

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