

A man with a beard and short brown hair, wearing a dark blue suit, white shirt, and patterned tie, is smiling and looking at a laptop screen. The background is a blurred office setting. The right side of the image has a blue gradient overlay.

Three trends in financial services—and how to adapt

Staying competitive, reinforcing infrastructure, and embracing new technologies in 2021

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What's next for UK financial services?

After a year that saw the industry press pause on digital strategies and embrace rapid decision-making and tech adoption in its place, it's now time for financial services institutions to reflect on their plans.

In this paper, we explore three trends for UK financial services in 2021, as industry leaders adjust to working outside the EU, decide which pandemic-driven changes to keep, and choose the direction of their digital transformation.

Staying competitive and compliant on a global stage

Winning and retaining customers is an evergreen challenge in financial services.

And whether you're a major player or a disruptive newcomer, it's only getting more complicated. Open banking, the rise of comparison sites, and the increasingly digital-first environment have made it easier than ever for customers to switch providers with just a few clicks.

But for UK financial service institutions, it's not just customer expectations that are changing.

As the UK works through its first year outside the EU, all eyes are on the financial sector to see how it adapts to a more complex, sensitive, and potentially difficult relationship with member states. For the UK-based banks, insurers, accountants, auditors, and other financial services institutions that want to thrive outside the UK's borders, maintaining or boosting global competitiveness should be top of the agenda.

There's a lot to consider. For a start, there's likely to be increased supervisory and regulatory pressure from the EU as institutions establish and re-establish operations outside the UK. According to industry analysts Deloitte, the new trade co-operation agreement offered little guidance for cross-border financial services, which means you and your teams need to be prepared for more uncertainty—and ready to adapt rapidly.¹

In the longer term, regulations in the UK and EU are likely to diverge in the coming years—possibly dramatically—and institutions will need to factor this into their strategies for each territory too.² For some institutions, especially smaller ones, it may make more sense to concentrate efforts within the UK, rather than contend with increasingly complex legislative changes.

¹ www2.deloitte.com

² www2.deloitte.com

Remapping infrastructure after the pandemic

The next two years will be spent “institutionalising lessons learned during the pandemic”, says Deloitte.³

Many institutions were forced to make ad-hoc changes to their technology infrastructure to accommodate higher demand, sudden changes in product offerings, or the shift to home-working during lockdowns. Whether that meant implementing new remote productivity tools, scaling up cloud resources, or bulk-buying laptops, leaders had to make rapid decisions to ensure their businesses didn't grind to a halt.

However, without a strategy to guide these changes, some have added friction to everyday work processes—and, in some cases, created new security concerns.⁴

If you made investments that weren't part of your established technology strategy, your next task is to add structure to those changes. Where new systems were connected using short-term workarounds, now's the time to integrate those into your infrastructure, or replace them with a more suitable alternative.

Existing systems and processes are due some scrutiny, too. Forbes sees COVID as acting as a litmus test for digital infrastructure across financial services, helping leaders identify which investments are paying off, which aren't, and which areas of the organisation need attention.⁵

³ www2.deloitte.com

⁴ home.kpmg

⁵ www.forbes.com

79% of insurers say the pandemic exposed digital shortcomings in their organisation

— Deloitte

For example, a Deloitte study found that 79% of insurers felt the pandemic exposed digital shortcomings in their organisation. Financial services leaders can take this opportunity to reassess their technologies and working models, and emerge stronger post-pandemic.

Relaunching digital transformation across the industry

Many digital transformation initiatives ground to a halt in 2020 as financial services organisations switched their focus to immediate digital challenges. But with the peak of the disruption over, there's now time to re-focus on medium and long-term digital strategies.

Deloitte's 2021 Banking and Capital Markets Industry Outlook survey found that 40% of banks and 43% of insurers in Europe are implementing new technologies to enhance efficiency in the next 12 months.⁷ Here are some of the key technologies that will shape the next year:

AI

Artificial intelligence has been putting down roots in the financial services industry for a few years now, but constant innovation means a constant stream of new potential applications to consider.

For example, there are opportunities to use AI for:

- Robo-advice and chatbots, for increased self-service and to give customers rapid access to relevant, tailored information
- Policy assessments, to help customers get decisions faster and free up time bankers, insurance agents, and other staff would usually spend on simple processes
- Fraud prevention, by using biometrics and machine learning to verify identities and reduce fraud losses
- Automated document processing, to accelerate Know Your Customer checks and other tasks

⁶ www2.deloitte.com

⁷ www2.deloitte.com

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According to Accenture, one of the main benefits of AI is that its automation and process improvement will help people spend “more time on exceptional work; the 20% of non-routine tasks that drive 80% of value creation”.⁸

Data analytics

It’s a core component of successful AI, but data must also be considered in its own right.

Consumers are looking for more personalised finance and insurance products⁹—services that take their individual circumstances into account and offer them fairer payment terms, extra perks, and policies that fit their needs more effectively.

A comprehensive view and intelligent analysis of customer data is hugely important for getting those tailored services—like micro-savings tools and parametric policies—right. But many financial services organisations are still working to break down siloes that prevent different departments from sharing data freely. As you add new systems and data sources to your infrastructure, think carefully about how they integrate and interconnect with the rest of your organisation, for more complete data visibility in the future.

Over 40% of European banks and insurers will implement new technologies to enhance efficiency in the next 12 months

— Deloitte

⁸ www.accenture.com

⁹ www.ukfinance.org.uk

Voice and speech technologies

Voice-based technologies—including biometrics, natural language processing, and speech recognition—is well-known in financial services for its applications in fraud prevention and improving customer experience.

For example, Royal Bank of Scotland Group uses voice biometrics in its contact centre to screen inbound customer calls, authenticating genuine callers and flagging potential fraudsters. Its system uses the unique characteristics of its customers' voices to verify their identities, and lets them access their accounts over the phone without relying on PINs or passwords. In its first year, the bank screened over 17 million contacts, identifying 23,000 potential fraud attempts.



RBS Group found that one in every 3,500 contacts was a fraud attempt—and prevented them—with speech recognition and voice biometrics

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But financial services institutions don't always consider using voice tools for internal tasks—such as taking notes, writing reports, and sending emails—despite major potential process and productivity improvements.

The average person speaks more than three times faster than they can type, and twice as fast as a professional typist. That means there are many everyday financial services tasks where speech-to-text technologies could help save hours of work. Any process that's heavy on paper or digital documents and manual input can benefit from speech recognition, giving your staff the opportunity to focus on engaging more closely with customers and clients.

Dragon: fast, accurate, professional-grade speech-to-text

Speech-to-text technology can accelerate many of the tasks that often take up the bulk of the day in a financial services firm. Tasks like emailing clients, updating your CMS, collating notes and creating a list of actions after meetings, completing funding research and reports. All you need is the right tool.

Dragon is our professional-grade speech recognition engine, designed to help professionals like you complete previously manual tasks and produce documents 3x faster, with up to 99% accuracy out of the box.

Speech recognition on any device

Work doesn't just happen on a desktop, so speech-to-text needs to work across every device your people use. The Dragon product family covers desktops, laptops, tablets, and smartphones—ideal for firms where staff are working in offices, from home, or visiting clients.

Dragon Anywhere Mobile puts the power of the Dragon engine in an intuitive, fully featured app for Android and iOS devices.



The average person speaks more than three times faster than they can type, and twice as fast as a professional typist

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High accuracy that continues improving

Many freeware speech-to-text tools struggle with recognising strong accents, understanding technical vocabulary, or handling the stringent compliance demands of a complex industry like financial services.

Dragon isn't just built to be accurate on day one; it's designed to improve the more your users interact with the engine. Through AI and deep learning, the engine adjusts to different accents, speech patterns, and preferred pronunciations. And the dictionary is customisable, so each user can add the specific financial terminology, acronyms, and job titles they use regularly in their work.

Collaborative productivity

With Dragon Professional Anywhere, you can dictate directly into word processors, spreadsheets, email drafts, and collaboration tools, and use your voice to search the web or send messages—on desktops, laptops, and virtualised machines.

And when you're ready to share with your colleagues and clients, you can sync your documents with Microsoft OneDrive, Dropbox, and Evernote for easy shared access.

Security and compliance

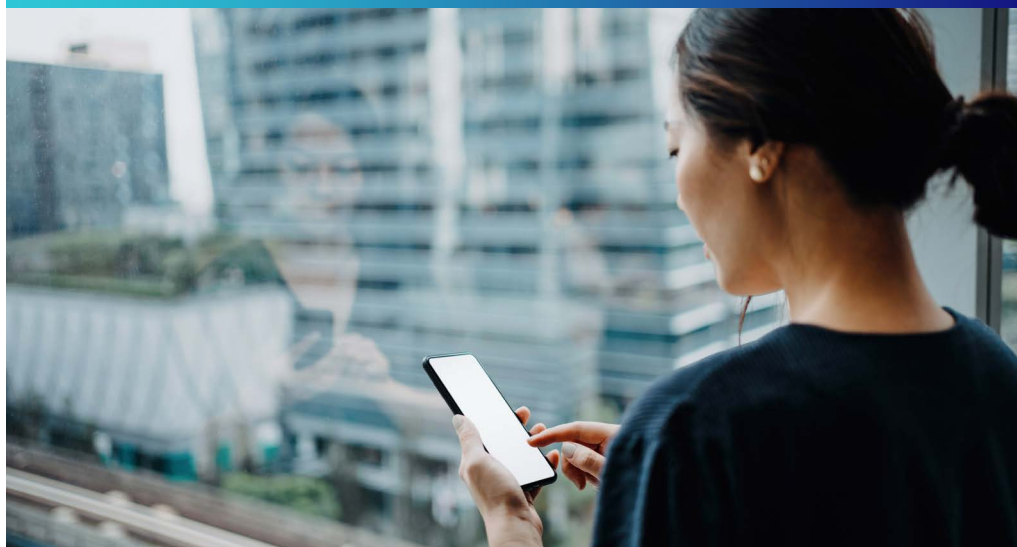
In such a highly regulated industry, that handles huge sums, important transactions, and large data stores, any new productivity tool needs to add to security, not create risk. Within Dragon, 256-bit encryption secures data both in transit and at rest—protecting sensitive, personally identifiable, and financial information.

Simple deployment and management

Dragon's cloud-based infrastructure gives you one-click installation with no complex configurations, and automatic updates to ensure your people always have the latest version at their fingertips. Flexible deployment options mean you can use Dragon on-premises, in the cloud, or as a hybrid solution, and it's easy to add new seats and onboard more team members.

Dragon Professional Anywhere sits on top of your everyday applications, including Microsoft Office, so there's no complicated integration to manage, either. For tablets and smartphones, using Dragon Anywhere Mobile is as simple as downloading the app from the Apple App Store or Google Play.

Once Dragon's up and running, you can use the Nuance Management Centre to see which of your people use Dragon—and how much—with reports and statistics to help you see how much you're saving and prove ROI to the rest of the business.



Summary: the digital road ahead for financial services

From taking stock of their pandemic-driven deployments, to relaunching major digital transformation strategies, financial services leaders have a lot of technology choices to make in the coming months.

Of all the technologies that financial services firms will evaluate in 2021 and beyond, speech recognition could have the biggest impact on the daily workload. The right speech-to-text tool will dramatically boost productivity for staff at every level, helping you spend more time working directly with your customers.

HSBC, Natwest, Esurance, and BNP Paribas all work with Nuance to make their time more productive and profitable, ease the workload of manual processes, and give their clients a better standard of service. Talk to us today to learn more about Dragon, and how you can put fast, accurate speech recognition to work in your firm.



About Nuance Communications, Inc.

[Nuance Communications](#) (Nuance) is a technology pioneer with market leadership in conversational AI and ambient intelligence. A full-service partner trusted by 77 percent of U.S. hospitals and 85 percent of the Fortune 100 companies worldwide, Nuance creates intuitive solutions that amplify people's ability to help others.

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