Could your bank cashier soon be replaced by chatbots?

A white paper by Auriga

Automated machines, in one form or another, have been helping us to bank and take out money for decades. 50 years ago, the first ATM was installed which started a fundamental shift in our banking sector. It disrupted how our high streets worked, it changed our financial habits and our banking expectations.

Half a century on, we're again on the verge of another stage in this revolution in how we interact with machines to access all kinds of services in the home, at work or on the High Street. So it is not surprising that many analysts are predicting artificial intelligence and software robots will soon become integral to how banks serve their customers. But, how will the ATM, which has kept on evolving and becoming powerful, fit into this new vision?

AI looks set to become central to how banks operate. Recently, one major report by consulting firm Accenture predicted AI will be the main way banks interact with their customers in the next three years. This is supported by other research with a report from Oracle (Can Virtual Experiences Replace Reality?) stating 80% of businesses are already incorporating or planning on adding chatbots by 2020. People are even starting to get familiar with AI in their daily lives with virtual assistants like Amazon's Alexa or Apple's Siri popularising the technology.

But how much should Accenture's prediction for AI in banking be taken with a pinch of salt? Other studies reveal some stubborn resistance from customers to business using AI to interact with them for example, less than a third of UK respondents said they were comfortable with this in a study for customer relationship management firm Pegasystems.

So how are we going to transition to more AI in banking service delivery? The forecast is that AI will become part of the experience alongside other channels and is likely to augment the personalised service offered by human staff, helping the staff in a branch support customers more quickly and more accurately.

Consistency is key

New ways of banking have developed through customer need; and new technology is simplifying the bank-client relationship. The challenge is to make sure that no matter what platform your customer is using, they have a consistently compelling and engaging experience whether they are online or physically in the bank.

Artificial intelligence can support this goal and widen accessibility of more complex issues handling accessible 24/7, can be set up to communicate in your tone of voice, and work across platforms as well as reducing operating costs. As the Accenture study found, banks are already piloting AI-based customer services. The important thing is that these implementations

aren't replacing the human touch that staff typically value but are helping to speed up internal processes, and more quickly direct customers through to the right department. With the capability to learn from previous conversations they become more efficient over time, making the experience for customers seamless. Chat bots are appearing across a range of technology including mobile and online, for example, The Royal Bank of Scotland and Mastercard have recently piloted chatbots to help manage customer finances and online transactions more smoothly.

A good start, but more work to be done

However, if these innovations are to revolutionise the bank-client relationship, there's still work to be done. The progress of AI is considerable but not yet mature enough for a precise and rigorous use of chatbots in the banking sector. According to analysts Forrester, the reliability of the bots is still a major issue and could be even sometimes qualified as counterproductive. Indeed, their report said one third of the responses made were incorrect, unrelated, or the technology was simply unable to answer. Financial transactions may be simple in theory, but complex in practice with extremely sensitive repercussions when there is a fault.

Clearly as banks progress more trials these issues may appear to be teething problems that are ironed out in these pilots. To be successful AI deployments do need to be well integrated with other key systems so that critical data is being shared and customers aren't experiencing chatbots that have limited capabilities to respond well.

The trend towards AI in banking should be driven by how smarter, more autonomous technology can humanise rather than mechanise customer service for bank customers. While it may be appropriate in some contexts it is important to balance investment in AI alongside other ways a bank can deliver a more responsive, personalised service. Human advisors either in branch or in call centres will allow the bank cashier to always have a significant role to play in the bank experience.

Artificial intelligence shouldn't be used as a concept in itself – it should enhance existing systems and processes. Build it into your omnichannel solution and it can improve your brand and how your customers engage with your staff and services.

Technology, even intelligent technology, can't replicate talking to people. People want to be able to speak to people if needed, but what AI does have the potential to do is get them there as quickly as possible – for example banks which use AI to route customers through to the correct department. However, bad implementations can be damaging. It will just frustrate your customers and reflect badly on you.

Chatbots are popular with banks – and they can be popular with customers too if they are implemented correctly. Listen to your customers to see what balance they want between AI and staff interaction, and where in their service they want to see it.