

Press release

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Belgium reaches the top 3 to become a digital champion in digital banking services

Yet, banks are still investing in internet banking while customers are becoming more mobile

Brussels, 3 December 2020 – Two out of the seven Belgian banks assessed by Deloitte’s 2020 Digital Banking Maturity study performed as digital champions, ranking Belgium third in the world. Turkey, Spain, Poland and Singapore make up the top 5. Belgium clearly scored better than 2 years ago, but the gap between our top two digital champions and the latecomers in Belgium has increased and is expected to become even wider in the future. Digital champions are able to achieve lower cost/income rates and higher returns on equity.

Deloitte’s 2020 Digital Banking Maturity identifies champions and leading practices worldwide in digital banking, covering 39 countries and 318 banks. To compare the digital maturity of banks in retail banking channels, Deloitte assessed three components: functionalities, customer needs, and user experience. The approach splits global banks into four groups and four of the seven Belgian banks assessed performed as smart followers or digital champions.

Kasper Peters, Partner Financial Services at Deloitte Belgium: *"Two years ago limited digital functionalities, such as tutorials to facilitate the onboarding and familiarisation with mobile banking, resulted in Belgium not being a digital champion, despite the user-friendliness of digital banking in Belgium. Now Belgium ranks third in digital services, after Turkey and Spain. Digital champions don't only lead their peers in the number of digital functionalities along the customer journey, they also outperform the competition on average on both cost/income and return on equity. Digital champions know the user experience is a key differentiator in driving customer satisfaction."*

Customers are mobile, but banks still focus on online

In Belgium, there is still an important difference between mobile and internet banking. While customers tend to be mobile first (or even mobile only) for most steps of their banking journey, some banks are still focusing too much of their investments on the web. Belgian banks must close the gap in terms of mobile functionalities to meet the needs and expectations of their customers.

The gap between Belgian digital champions, smart followers and latecomers is more or less the same when comparing their mobile and internet banking functionalities. Most of them focused on bringing basic functionalities to their mobile application, such as opening bank accounts, but have a clear gap, compared to other countries, when focusing on mobile functionalities’ link to day-to-day operations. While Belgian banks are actually performing quite well compared to other countries when assessing mobile functionalities, expanding the customer relationship journey with functionalities, such as accessing insurance products via their mobile application, is where the biggest difference lies between their mobile and internet channels.

“While they perform well compared to the global average, Belgian banks still have significant room for improvement in areas such as expanding relationships, cross-selling to clients, and straight-through processing, for example credit opening or investment in funds,” said Cédric Deleuze, Partner Financial Services at Deloitte Belgium.

Gap between Belgian banks widens

The Belgian landscape isn't homogeneous with two major banks as the overall best performers, both being digital champions and ranking in the top 20 banks worldwide. The gap between our top two digital champions and the latecomers has increased over the past years and is expected to become even wider in the future.

Expanding relationships is expected to become more important, and building ecosystems is complex. It requires know-how that has been developed by the digital leaders. They are therefore better positioned to capitalise and improve their digital lead compared to the other banks that still need to build their capabilities and ecosystems.

Building ecosystems and capabilities, such as technical capabilities to interact with the bank's third party environment, can for example lead to a customer being able to purchase a train ticket on the bank's mobile application. This is crucial to banks because customers are using their digital touchpoint and the bank gets more control over the value chain.

What makes a digital champion?

The key differentiator for the main four banks in Belgium is the amount of functionalities they have to facilitate onboarding, such as tutorials to help their customers familiarise themselves with mobile/internet banking.

A digital champion clearly differentiates itself from other banks thanks to its ability to expand the customer relationship by offering beyond banking functionalities. Champions also widen their lead over other banks in account and product management, for example the ability to manage credit card overdraft via a mobile application or order currencies online, and personal finance management.

Digital champions deliver the best user experience in account opening, transfers, and buying a credit product.

COVID-19 has led to more digital features, but more investment is needed

Most banks closed or shortened the opening hours at their branches in light of the measures in place to limit the spread of COVID-19. However, this crisis has also prompted many banks to implement new digital features, such as fully digital processes (e.g. account opening, remote identification and verification, and contactless payments).

While Belgian banks acted quickly and have made some positive progress, to better respond to customer demand in unusual times, all banks, champions, followers and latecomers, must invest in and drastically accelerate their end-to-end digital transformation and focus on self-service capabilities.

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