

CASE STUDY



Removing roadblocks to cut the 'Time to Yes'



Q2

Shawbrook Bank launched a new origination system as part of a wide-ranging digitalization program at the bank.

The launch, in April 2021, provides an “agnostic” platform on which Shawbrook can build a range of customer journeys for different products.

Self-serve capability is also included, with portals for brokers and direct customers, while automated workflows are built into the system.

For Stuart Doignie, head of fintech strategy and commercialization, the system is designed to do the “heavy lifting” of previously used manual processes.

He said: “It’s not about straight-through processing, but more using technology to do the heavy lifting for us. We may have had underwriters filling in credit templates, and completed financial statements, then providing recommendations, which is data we can obtain automatically from other sources.”

The system is removing “roadblocks” in terms of the speed of saying yes to the customer.

“In the high volume, low value markets, we couldn’t really compete in terms of expected turnarounds and our cost to serve,” Doignie says. “We have built a much more streamlined process, which has benefited sales and risk, with knock-on benefits to teams like financial crime. Whereas previously we would be building a credit submission to go to the credit team for sanction, now we are doing 80% of it automatically. We have removed a huge administrative burden.”

The impact is dramatic, reducing “time to yes” from a week to minutes, giving customers more certainty about their finances.

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Instant Approval
In Principle

Before, Doignie says, it could take up to seven days to process a deal, say “yes” and send documentation.

“We are now aiming for eight hours, effectively inside a day and we can also give an approval in principle immediately,” he said, “The key thing is picking those parts of the process that make the most difference to the broker or client.

“In my view, digital origination costs can be up to 80% less than those with manual processes. To achieve this, you would need high levels of automation and most probably be reliant on simple assets and automated risk models to make yes/no decisions with no room for referrals.”

“This will take a significant period of time to refine strategy and get the right tech partners to be part of the journey. However, most lenders would be happy to get to 60% and accept that they want to offer a more human approach to asset review and underwriting, maximizing the revenue from processing those edge cases.”