

Banks to use AI and other digital tools to boost customer support

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[ritish](#) banks are set to ramp up digital tools and customer support teams to cope with a wave of consumers and business owners looking for help in the year ahead.

Lenders will have a vital role in providing support as household incomes are further squeezed, mortgage rates rise, and businesses struggle, experts have said.

Krishnapriya Banerjee, a managing director in Accenture's UK banking practice, told the PA news agency that banks are being challenged to improve how they engage with customers amid looming recession fears.

She told PA: "There is a bigger focus on providing the right service to the consumer, whether that's the contact centres and dealing with the flurry of calls that come through, or using a higher amount of data, artificial intelligence, or conversational technology to support those conversations.

"I think we will see much greater utilisation of technology to support customer interaction in the year ahead."

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For example, companies can now use voice recognition technology to detect emotional distress among customers, which Ms Banerjee said could be the key for lenders to proactively prevent forbearance calls from borrowers at risk of defaulting on their loan payments at a later stage.

She added: "One of the things that we are seeing with the cost-of-living crisis is that people are really thinking about how they are budgeting their money. A few years ago, some of the personal financial management side of mobile banking apps didn't really take off in the same way that they are today.

"But I think the tougher climate is an opportunity for banks to do more with that, such as how personal financial data is shown on apps, or how it tells people what bills are coming up."

SMEs which have turned to their bank, building society or financial services provider for help" data-source="HSBC">

A survey of small business owners by HSBC found banks, building societies and financial service providers are the first port of call for financial help and support, with 27% of small and medium businesses (SMEs) turning to them in the past.

In terms of the measures that SMEs are utilising to help manage costs, 15% have spoken to their bank to extend an overdraft, 13% have changed payment terms, and a 10th have taken out a payment holiday to pause loan repayments.

Meanwhile, mortgage holders are increasingly turning to their lender to explore their options amid rising rates.

Research from The Mortgage Lender found 7% of borrowers have already paid an early repayment charge on their mortgage deal

in order to fix to a reduced rate before costs rise, while 13% will do so.

Thirteen per cent have spoken to a mortgage broker to find the best possible deal.

This sentiment has already led big banks to up the ante with customer engagement, proactively reaching out to thousands of customers before they need to contact them.

HSBC said it had been targeting calls to customers showing signs of financial difficulty, helping more than two-thirds of those affected avoid defaulting on payments for at least six months after.

The majority of those that did default after six months were only in arrears for one to two days, HSBC said.

The banking giant also offered a range of financial solutions for businesses in need of support, such as capital repayment holidays to free up cash for firms, extending the repayment period for bounce-back loans issued during the pandemic, and providing trade finance solutions to support businesses with their supply chains.

Santander was another major lender to enhance engagement with SME customers this year, launching a toolkit with tips and guides for business owners to better manage their resources, risks or cashflows, after finding that SMEs were being forced to increase their prices as business costs mounted.

[NatWest](#) revealed earlier this year that it was working with consultancy Accenture and Microsoft to create a customer engagement platform that would speed up and improve personalised support services.

It included the launch of a new appointment booking system that expects to reduce booking times for meetings like mortgage planning by up to 75%.

Tom Merry, the banking strategy lead at Accenture, added that it is in the interest of banks, customers, and the wider economy that the banking sector is willing to engage, improve and modernise.

He said: "[Banks](#) have a societal obligation to look after their customers, to help people facing financial stress, to be proactive and empathetic.

"But they also need to be successful as businesses and investing to improve. It is a virtuous cycle whereby banks that are doing well can do better for customers.

"A strong and stable banking environment is a good thing for everyone."