

BT/ifs Financial Innovation Awards 2003



The sixth annual Financial Innovation Awards were presented at a prestigious dinner at Guildhall in London last night. The Awards, sponsored by BT and the Institute of Financial Services, are the leading showcase for recognising and applauding innovators in the finance sector.

“The Financial Innovation Awards is one of the few events on the calendar that truly celebrates innovation and success in the financial services industry,” said Chris New, director, Finance Industry Solutions, BT Major Business. “This event continues to grow in strength and stature year after year, as do the achievements of the contenders, and BT is proud to be associated with the awards for the sixth year running.”

This year there were more categories than ever before, widening the scope of the awards to include investment and wholesale banking.

Click on any of the categories listed on the following page for details of the winning entries

The 2003 Award winners

Click on any of the categories listed here or scroll through the pages for details of the winning entries



TV presenter Suzi Perry hosted the awards



Political editor for ITV news John Sergeant was the after dinner speaker

Other speakers:



Michael Kirkwood, President of the Institute of Financial Services



Chris New, Director, Finance Industry Solutions BT Major Business

- PAGE 3** **Most innovative e-delivery channel**
HSBC Vehicle Finance and HSBC DriverQuote
- Best customer relationship management strategy**
Bank of Valletta – BOV Relationship Management Strategy
- PAGE 4** **Most innovative business to business initiative**
Barclays Private Clients – International Corporate eBanking (ICeB)
- Best outsourcing programme**
Lloyds TSB and TNT Financial Services – The Carousel
- PAGE 5** **Most innovative marketing or advertising campaign**
Nationwide Building Society – Remortgage
- Most innovative application of technology (Banks & building societies)**
Royal Bank of Scotland Group – IT Integration Programme
- PAGE 6** **Most innovative use of traditional channels**
Tesco Personal Finance – “Instant” Travel Insurance
- Best customer communication**
MORE TH>N – MORE THAN.COM/CAR
- PAGE 7** **Most innovative working practices**
Royal Bank of Scotland Group – Embedding continuous improvements into RBS and creating the “most efficient bank in the world”
- Most innovative application of technology (Insurance & others)**
Barclaycard Merchant Services – ePDQ with Verified by VISA (VbV)
- PAGE 8** **Best customer services strategy (Banks & building societies)**
Bank of Ireland GB – Account Opening Process
- Most impressive community service programme**
Alliance & Leicester – Alliance & Leicester Tag Rugby
- PAGE 9** **Best internet banking service**
HSBC – Business Internet Banking
- Most innovative trading or operations system**
Investment and wholesale banking
Citigroup – EQRms
- PAGE 10** **Best customer services strategy (Insurance & others)**
Halifax General Insurance Services – Halifax Home Insurance
- PAGE 10** **Financial services boss of the year (Joint award)**
David Postings, Managing Director, Enable, Barclays Bank plc
Paul Pritchard, Head of Generalist Lending, Barclays Bank plc
- PAGE 11** **GRAND PRIX**
Best internet banking service
HSBC – Business Internet Banking

The 2003 Award winners

Award 1



MOST INNOVATIVE E-DELIVERY CHANNEL

HSBC Vehicle Finance and HSBC DriverQuote

HSBC Vehicle Finance provides contract hire and motor-related services to business customers. It has been a market leader in redesigning contract hire into a simpler fixed cost vehicle finance solution in order to increase customer satisfaction. The approach was to harness the internet's capacity to present information in an effective and exciting customer experience. An internet car selection, quotation and ordering system was introduced, which meets the demands of both customer managers and employee drivers and allows them to make well-informed decisions. HSBC DriverQuote is the first quoting and ordering system that enables business managers to transfer 100% of the work associated with getting quotes and choosing a car for drivers, without loss of control or any effect on the fleet policy.

Award 2



BEST CUSTOMER RELATIONSHIP MANAGEMENT STRATEGY

Bank of Valletta – BOV Relationship Management Strategy

BOV's Relationship Management Strategy focuses on the use of customer information to provide a cost-effective value proposition. A three-phased approach was adopted through the in-house development of a data warehouse, a customer profitability module and a CRM front office system. During these phases, business practices were also being changed accordingly. The new system revealed significant new management information, which has developed into a new strategy for customer retention. The system's tools have allowed staff to access extensive customer information in real time and provide the best solution to a customer's needs. The latest statistics have shown significant improvements in retention figures and in customer satisfaction levels.

Award 3



MOST INNOVATIVE BUSINESS TO BUSINESS INITIATIVE

Barclays Private Clients – International Corporate eBanking (ICeB)

Barclays International Corporate Services looks after businesses that require banking services abroad. ICeB is the first internet banking solution designed specifically for this complex market. Previously, customers needed to rely on time-consuming manual processes to meet their needs. ICeB is innovative because it enables intermediaries to administer thousands of accounts for their international customers on one system, in a way that matches their internal organisational structure. It offers real-time information and payment facilities in all major currencies, flexible services and complete historical information for the past six years at the touch of a button, enabling clients to improve their own efficiency and offer better service to their own customers.

Award 4



BEST OUTSOURCING PROGRAMME

Lloyds TSB and TNT Financial Services – The Carousel

In November 1998, Lloyds TSB and TNT Financial Services agreed a mail distribution contract through which Lloyds TSB was looking to improve its nationwide distribution infrastructure with an efficient system that reduced delivery times and the bank's costs. Since implementation, this focused and forward-thinking partnership has produced a solution that consistently provides innovation and added value to all users and significant flexibility to both organisations. Dedicated TNT vehicles operate a streamlined service from 27 regional depots to the 78,000 employees in 2,500 Lloyds TSB branch locations across the UK and are the sole overnight distributors of mail, cheques, stationery and marketing material. The partnership has become a model for other outsourcing programmes within the bank. External recognition of the partnership has been achieved through Lloyds Register Quality Assurance (LRQA) awarding the contract the new ISO 9001:2000 quality standard.

Award 5



MOST INNOVATIVE MARKETING OR ADVERTISING CAMPAIGN

Nationwide Building Society – Remortgage

Nationwide has not historically participated in the remortgage market and did not believe it was fair to offer better deals to new borrowers than to existing borrowers. So it implemented a new approach to mortgages. A unique element of this was to offer one product range to all borrowers. The first twelve months were devoted to managing this approach and creating the innovative Takeaway Remortgage. Core to this achievement was thinking outside the box. By adapting a well-tried concept from the fast food industry – the takeaway – to remortgage, Nationwide was able to convince consumers that the process was simple and quick and would yield substantial savings over the life of their loan. The proposition was delivered by re-engineering the process from the consumer’s perspective. By developing a brand positioning that was true to its corporate values and by using a strong mixed media campaign, the Nationwide has exceeded its challenging market share goals within nine months of launch.

Award 6



MOST INNOVATIVE APPLICATION OF TECHNOLOGY

Banks and building societies

Royal Bank of Scotland Group – IT Integration Programme

The largest take-over in British banking history formed the backdrop for this programme, which offered the challenge of successfully integrating NatWest’s IT systems onto a single stable RBS Group platform, delivering massive annual cost savings. The key was innovative thinking and meticulous planning and execution which maintained customer service levels while allowing progress towards migration. The conversion weekend was precisely scheduled, with more than 11,200 items making up the minute-by-minute schedule. The scale was breathtaking: 4,200 staff working during the weekend, migrating 22 billion data items and 18 million customer accounts that were reconciled to the penny. The weekend’s work was completed ahead of schedule with no major incidents and no impact to customers as a result of the conversion. While keeping the two brands separate in the eyes of the customer, RBS and NatWest operations can now be handled on the same systems and with the same processes.

(Read more about Royal Bank of Scotland’s IT integration programme in this issue of re:sourcesglobal)

Award 7



MOST INNOVATIVE USE OF TRADITIONAL CHANNELS

Tesco Personal Finance – “Instant” Travel Insurance

Tesco Personal Finance is a joint venture between Tesco Stores Ltd and the Royal Bank of Scotland Group. In 2000, it developed a world first within the insurance market – “instant” travel insurance. The product was developed to offer customers the ultimate in convenience along with a value for money, simple and clear alternative to standard travel insurance products. Rolled out in 2002, it is a revolutionary new way of buying travel insurance with no forms to fill in, as it utilises the information contained on customers’ Tesco Clubcards. Customers can now simply walk into a Tesco store, pick a travel insurance pack off the shelf, pay for it at the till – and receive instant cover. The transaction can be completed in a matter of seconds. Tesco “Instant” Travel Insurance comes in a range of easy to choose packs designed to meet the needs of most travellers. The company has calculated that the success of “instant” travel has led to a 33% increase in their travel insurance income.

Award 8



BEST CUSTOMER COMMUNICATION

MORE TH>N – MORE THAN.COM/CAR

MORE TH>N is the direct customer division of the Royal Sun Alliance Insurance Group. Having identified significant under-performance in selling online insurance, MORE TH>N decided to clarify its online messages and make it easier for customers to do business online. Extensive consumer research and dialogue helped identify what customers really wanted from the service and led to a totally revised motor quote and buy process. In response to consumer feedback the number of questions was cut and the system was made more flexible. The changes have resulted in a tripling of sales and improved customer retention rates and have also formed a template for MORE TH>N to extend the improvements across other sites.

Award 9



MOST INNOVATIVE WORKING PRACTICES

Royal Bank of Scotland Group – Embedding continuous improvements into RBS and creating the “most efficient bank in the world”

Royal Bank of Scotland Group Chief Executive Fred Goodwin challenged HR to consider how the Group could embed continuous improvement and the drive for ever-increasing operational efficiency once the integration of NatWest was completed. The aim was to create an approach that would help the organisation become more able to create efficiencies and make the right decisions quickly, while becoming “owned” by individual businesses within the Group. A GE-created “work-out group approach” was adopted to involve key people for whom a problem or inefficient process has an impact, in order to improve the situation within a strict 90-day period. All divisions of the Group are now implementing the work-out approach. The methodology has been fully tried and tested and tailored to the RBS Group and divisional requirements within the Group. It has achieved a balance between local ownership and bottom-up instigation whilst being consistently measured and tracked from the centre, with regular reporting to the bank’s top team.

Award 10



MOST INNOVATIVE APPLICATION OF TECHNOLOGY

Insurance and others

Barclaycard Merchant Services – ePDQ with Verified by VISA (VbV)

Barclaycard Merchant Services (Barclaycard) is one of Europe’s largest acquirers and processors of plastic card transactions. The company is dedicated to providing e-commerce solutions to suit all types of business. Verified by Visa (VbV) was launched in November 2002 to help businesses tackle the growing problem of online card fraud. Without VbV, businesses are liable for fraudulent transactions where the cardholder’s identity cannot be checked. The risk of this lost income has been enough to prevent many businesses from trading online. VbV offers a mechanism to registered users for customers to identify themselves through the use of a PIN number, which effectively replaces the signature and transfers fraud liability away from the business. Without fraud hitting profits, online businesses can be even more competitive on price which, in turn, will draw more customers into e-shopping, ultimately encouraging more businesses to trade online. It is a virtuous circle which Barclaycard is already beginning to see take effect.

Award 11



BEST CUSTOMER SERVICES STRATEGY Banks and building societies

Bank of Ireland GB – Account Opening Process

Opening a bank account can be a frustrating process for customer and banker alike. Bank of Ireland GB decided to throw out the library of forms and procedures and start again – from the customer’s point of view. A complete review of the process led to the introduction of a streamlined suite of sealed application packs appropriate for different types of customer, while an enhanced process for handling applications was initiated at branch/business unit level. The results have been notable: staff are very comfortable with the new system, information is received in one shot, legal and compliance requirements are met completely and, most importantly, the customer gets a fast, reliable service and clear information. The system has been commended not only by customers, staff and introducers, but also by the Banking Code Standards Board.

Award 12



MOST IMPRESSIVE COMMUNITY SERVICE PROGRAMME

Alliance & Leicester – Alliance & Leicester Tag Rugby

Alliance & Leicester’s heritage is in Leicester. As one of the region’s biggest employers and sponsor of the Leicester Tigers, the group wanted to develop and maintain a more visible and positive presence in the local area and put something back into the community. At the time, less than 10% of primary school children in Leicestershire were participating in rugby. In partnership with the Leicester Tigers, Alliance & Leicester Tag Rugby began in March 2000 and is a non-contact version of rugby using Velcro tag belts to eliminate tackling and concentrate on basic skills. This has led to 89% of the county’s primary schools participating in rugby, with initial coaching undertaken by Tigers’ playing staff. By increasing participation at grass roots level, this scheme has enriched the school experience for boys and girls throughout Leicestershire and ensured long-term community benefits.

Award 13



BEST INTERNET BANKING SERVICE

HSBC – Business Internet Banking

Business Internet Banking (BIB) was designed to meet the particular needs of HSBC's internet customers. It incorporates a range of innovative features designed to help customers save time and money, including some unique "firsts" in UK internet banking. These include advanced digital certificate-based security, two payment options, online stakeholder pensions management and real-time balance and transaction reporting. The service remains at the forefront of internet banking propositions available to business customers in the UK and beyond. The system has experienced significant growth in customer numbers and transaction volumes, while customers can benefit from cost savings and improved cash flow management and also earn higher rates of interest by transferring balances to and from interest bearing accounts. It is estimated that BIB will generate significant projected cost savings and will contribute to the retention of business customer relationships.

Award 14



MOST INNOVATIVE TRADING OR OPERATIONS SYSTEM

Investment and wholesale banking

Citigroup – EQRms

EQRms is the real-time risk management and profit/loss platform developed for the equity derivatives business in Europe. It is now in use across all trading desks within the European equities business of Citigroup Corporate and Investment Bank, as well as many supporting departments. EQRms brings together many technologies and solutions to solve a very complex problem – that of assessing risk in near real time and providing a single portal entry point. The key innovations of EQRms are to provide traders with an incredibly customisable front-end reporting application fed by real-time model calculations, while allowing quick pricing of new customer requests. This combination of putting flexibility in the hands of the users, responsiveness to changing customer needs and running live risk management across all products provides unparalleled value for Citigroup's front office and makes EQRms a unique solution in the City.

Award 15



BEST CUSTOMER SERVICES STRATEGY Insurance and others

Halifax General Insurance Services – Halifax Home Insurance

HGI's objective is to combine the best customer service with value for money products and it believes the best way to provide outstanding service is to innovate. A recent product of this policy was to provide its branch based home insurance customers with a free legal expenses product during the first year of their policy. This aimed to increase sales, build a more effective retention tool and provide unequalled service strategy. The cover provides up to £50,000 per insured incident for both the policyholder and their family. Extensive staff consultation and training meant that sales advisers were committed to advocating the product's advantages and both sales and customer retention have exceeded all expectations. The pre-launch product training engendered interest and support from the sales advisers, and has enabled HGI to develop a foothold in the market by delivering a product that customers both want and need. This has led to higher than expected profits for HGI while customers too have been very positive about the service.

Award 16



FINANCIAL SERVICES BOSS OF THE YEAR Joint winners

David Postings, Managing Director, Enable, Barclays Bank plc

Enable is a large business unit within Barclays Bank plc that operates as a Shared Service Unit with responsibility to provide the IT and operations infrastructure to the rest of the Group. As Managing Director, David Postings has overseen its transition from a not-for-profit department to a commercially viable and successful business. He has committed himself wholeheartedly to all aspects of the project, taking full accountability and acting as a role model for his team. His leadership, during this transitional phase, was fundamental to the programme's success. He was determined to manage an historic and previously unattainable commercial model to create a successful business and has led his team to achieve this goal.

Paul Pritchard, Head of Generalist Lending, Barclays Bank plc

As Head of Generalist Lending, Paul Pritchard has overseen major change in the way Barclays Bank undertakes the lending process for the SME segment. Leadership was the key to the success of the new process, and from the start he had a very clear idea that despite being spread across five sites, he wanted the teams to operate as a “five-cylinder engine”, not five separate engines. More than this, he has embedded a culture of empowerment where his team leaders are really allowed to manage and each have responsibilities for different elements of the business. His team says that he has played a very significant part in dramatically changing the culture of the area they work in for the better.



Award 17 GRAND PRIX

BEST INTERNET BANKING SERVICE

HSBC – Business Internet Banking