About Commerzbank

Commerzbank is a leading international commercial bank located in more than 50 countries. Its core market is Germany with a strong subsidiary in Poland (mBank).

It offers its private and corporate customers, as well as institutional investors, a complete portfolio of banking and capital market services within the business areas of Private Banking, SME Banking (Mittelstandsbank), Corporates & Markets and Central & Eastern Europe.

Commerzbank provides financing for over 30% of German exports and is the undisputed market leader in SME financing. With its subsidiaries Comdirect and the Polish mBank, it also owns two of the world’s most innovative online banks.

Commerzbank operates one of the widest branch networks of all German private banks with approximately 1,050 branches and more than 90 corporate customer advice centres. It looks after more than 16 million private customers and 1 million business and corporate customers. In 2015, the bank’s 51,300 employees generated gross profits of EUR 9.8 billion.
Starting Point

At the beginning of 2013, Commerzbank started its transformation with a digital strategy and has gradually transitioned from a strictly branch-based bank to a high-performance, sustainable multichannel institution since then.

Likewise, it should be possible for prospects to become Commerzbank customers quickly and easily at any time and regardless of their location.

The customer acquisition and onboarding processes in particular are presenting a number of different challenges - the probably most neuralgic issue here is the ID verification process.

Commerzbank’s experience with the hitherto standard procedures of in-branch verification, and the German ‘Postident’ procedure have shown significant pathologies with regard to the key success factors of user experience, conversion ratio and data quality.

A solution with significantly improved process performance had to be found in order to achieve the bank’s ambitious growth and process excellence targets – introducing video ID verification was a logical step.
Having taken the key decision to offer prospects the alternative of video ID verification when opening an account from December 2014, by mid-2014 Commerzbank had to confront the question of its practical implementation.

Opening an account online naturally requires that the same prerequisites are fulfilled as those found in the traditional off-line process. This concerns the identification of new customers both in relation to compliance with anti-money laundering legislation (AML) and reliable signature verification.

Commerzbank therefore needed appropriate supporting technology for procedural imaging. The increasing trend towards mobile banking also made the availability of a dedicated app a necessity. Commerzbank also had to find a method that would allow the verification of the prospect’s own signature within the digital process. In addition, specially qualified call-centre resources also had to be provided.

A seemingly obvious in-house solution was ruled out in step one, as the aim was to go live as quickly as possible.
Following an intensive process of shortlisting providers, in the autumn of 2014 Commerzbank decided to work with IDnow GmbH. Their solution enables identification within minutes via video chat and a valid form of identification.

Key factors influencing Commerzbank’s decision were the app provided by IDnow, the professional technical workflow support for Ident staff and the straightforward scalability of verification volumes.

The constructive initial collaboration led to the successful implementation of the process within just a few weeks. From mid December 2014, prospective customers have been able to apply for a new Commerzbank account within minutes using video ID verification.

Since then, prospects are taken to IDnow during the online account application process, once their personal details have been registered.

IDnow carries out the video ID verification and transfers the record of successful verification to Commerzbank. New customers are then looked after by the bank until their account is fully functional.
The Customer Experience

Maren Heiß, Head of eCommerce, Private Banking, Commerzbank AG:

“Video ID verification with our partner IDnow enables us to honour our digital promise in the best possible way, even at the point of opening a new account. The perfect integration of video ID verification into our digital account opening process creates a genuine real-time experience for our new customers and helps us to achieve our growth and efficiency targets in the interest of our customers.”

Commerzbank now offers its customers a complete digital banking experience: Prospects complete the streamlined and intuitive application form with their personal information, regardless of whether they are using a computer, a tablet or a smartphone. They then receive an individual link to download the IDnow smart phone app. Video chat can start immediately following the automated data transfer to IDnow, and ID verification can then be carried out by an IDnow agent. The digital record of the successful verification is subsequently transferred to Commerzbank, and the STP account opening process is triggered.

Within minutes, the new customer receives a notification that opening their account has been successful.

The customer can then log in to Commerzbank online banking immediately – the new bank account is fully functional. The user journey is rounded off with another digital service provided by Commerzbank: The “account switching app” is a convenient way for new customers to provide their payment partners with their new bank details and to instruct their previous bank to close their account at a specified date.
**Outcomes**

Within weeks of going live, a positive level of user acceptance was seen. Up to 20% of new current account holders selected video verification as their preferred method of ID verification.

Commerzbank extended its collaboration with IDnow over the following months. This included expanding the service to cover new customer products such as ‘DirektDepot’ and a variety of investment products. Commerzbank and IDnow also worked together to optimise the possibilities of data transfer as part of the user experience as well as Commerzbank-specific confidential scripts for the call centre agents.

**Video legitimation with IDnow has made a decisive impact on the digital success of Commerzbank since April 2016.**

Until April of this year, prospects were required to post a paper account application form to Commerzbank, even after video ID verification. Since then, video legitimation has become the foundation for paperless account opening in real time.

The possibility of being able to open an account immediately and then use the online account straightaway has led to a further marked increase in the acceptance and successful implementation of video ID verification and, above all, has significantly improved the conversion ratios from account application to actual opening.

At present, 30% of prospects successfully verify their identity via IDnow as part of the new process, thus enabling immediate straight-through processing (STP) of the account opening procedure. The conversion ratio for the entire process has been increased by almost 50% - with a simultaneous reduction of “unverified” account applications by more than 20%.
IDnow is one of Europe’s leading provider for identification and electronic signing products. The Munich software company develops and markets secure solutions for the electronic identification of persons as well as for contract signing via computer or smartphone. IDnow guarantees legal validity and the highest level of data security for its solutions. IDnow’s products address all business clients who acquire new customers online and want to offer AML-compliance and the conclusion of contracts online – e.g. online banks, modern retail banks, credit and finance providers, credit card providers, local authorities, and health insurance companies. The FinTech’s clients include numerous leading companies like Commerzbank, UBS and N26. IDnow was founded in 2014 by Jet A, the company builder of the amiamo founders.

Further information available at www.idnow.eu.