Transforming customer-critical processes

Lloyds Banking Group (LBG) adopts a data-driven approach to payment operations

**Job to be done**

Replace manual back-office processes to automate customer-critical processes

**Solutions to do it**

- ServiceNow® Financial Services Operations

**What we did**

Adopted a data-driven approach to increase the efficiency and scalability of payment operations

**Leading the way with digital**

With more than 17 million customers and over half of the UK adult population interacting with Lloyds Banking Group (LBG), it is the largest high street bank in the United Kingdom, providing a full range of financial services to its customers through 700 branches. LBG is widely regarded as leading in the delivery of digital capability, with well over 50% of its customers regularly using mobile services.

**COVID-19 disruption**

In March 2020, the impact of COVID-19 disrupted LBG’s existing, manual intensive processes leaving the company with potential increased operational costs and heightened complexity. Back-office operations were largely carried out by manual processes requiring hundreds of staff to individually deal with customer payment requests and payment issues. LBG’s payments operations processes were therefore challenged with delivering higher levels of automation and efficiency.

By prioritizing outcomes, challenging ways of working in operations, and exploiting data driven process automation through ServiceNow’s Financial Services Operations platform, nine processes have been revolutionized.

Automated

72%

of the payment in error process, previously 100% manual

Automatically resolved

91%+

batch payment exceptions

And automated

82%

direct debit refunds, issued in less than 30 seconds
Revolutionizing processes
Since July last year, LBG has worked using agile SAFE methodology to deliver transformed payment operations processes. By prioritizing outcomes, challenging ways of working in operations, and exploiting data driven process automation through ServiceNow’s Financial Services Operations platform, nine processes have been revolutionized. Furthermore, seven of these payment operations processes were transformed in just 12 weeks.

Automating manual processes
The payment in error process, which deals with errors when a customer is making a payment, such as getting the payee wrong, went from being 100% manual in the back office to 72% automated, requiring much less human interaction.

Process automation was also introduced to the handling of batch payment errors, resulting in 91%+ of exceptions being automatically resolved, taking just minutes to process. And direct debit indemnity claims and same day recalls went from being 100% manual, taking up to three days for a refund, to 82% of refunds being fully automated.

An agile culture
A dedicated team of individuals at LBG, with the support of ServiceNow’s platform, have delivered a back-office process that is now automated, driven by integrated data, and has challenged traditional ways of working to achieve outstanding results for customers. The results have also delivered significant benefits for the bank’s customers and colleagues at such a crucial period. The bank is continuing to lead the way as an innovator of automated back-office payment processes.