

CETELEM PORTUGAL AT THE FOREFRONT OF THE API ECONOMY

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January 2021

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IDC #EUR147314121



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Introduction

Cetelem Portugal is the commercial brand of BNP Paribas Personal Finance Portugal, operating in the country since 1993. It offers a wide portfolio of cards and payment solutions from the largest retailers in the country, in addition to a series of credit solutions, through an extensive range of physical and digital channels, from branded stores in Oporto and Lisbon, to commercial partner distribution chains, to the Cetelem Portugal site (www.cetelem.pt), including the telephone channel and the related mobile front end.

Besides credit card solutions, Cetelem Portugal offers personal and payroll loans, financing, insurance, and auto solutions and assistance services through an international network of more than 30 partners, such as supermarkets, stores, and leading ecommerce platforms. As part of BNP Paribas, Cetelem Portugal works with the group which operates in 30 countries and employs more than 20,000 people. In Portugal, where it has around 700 employees, Cetelem Portugal serves more than 1.3 million customers and more than 3,300 business partner stores.

From the outset, its mission was to be relevant to its customers and to offer unique experiences to all stakeholders involved in financial transactions, from business partners to consumers. To achieve this, it focused on excellence in customer services, encouraging innovation and creativity, and worked hard to develop its responsiveness in assessing market and technology scenarios, identifying opportunities and risks, and improving the efficiency of verification and approval processes.

BUSINESS VALUE HIGHLIGHTS

ORGANIZATION:

Cetelem Portugal, Lisbon, Portugal

ORGANIZATIONAL CHALLENGE:

Streamline the esignature process for online credit requests to provide a better user experience for its current and prospective customers by optimizing the digital onboarding process.

SOLUTION:

InfoCert Trusted Onboarding Platform (TOP), for distance contracting across any channel or device.

PROJECT DURATION:

Six months

QUALITATIVE BENEFITS:

- » Enhanced UX and customer experience
- » Full compliance with regulations
- » Improved security and governance

QUANTITATIVE BENEFITS:

- » Time savings of 50%–60%
- » Cost reduction of about 60%–65%
- » Customer conversion rate doubled

According to IDC's 2019 CEO digital economy study, digital trust programs will be the most important agenda item in the next five years for more than 80% of CEOs interviewed.

Omni-channel and "know your customer" (KYC) processes are significant challenges for Cetelem Portugal's digital transformation (DX), but defining the right road map is never easy when you have to choose from a multitude of platforms and solutions. As part of BNP Paribas, Cetelem Portugal discusses, analyzes, and compares best practices within the group at a global scale. In 2016, during a management meeting in Paris, Cetelem Portugal's senior management looked at InfoCert's solutions and technologies, which have already been successfully deployed in Italy by Findomestic, the local branch of BNP Paribas. That kick-started the journey that would change Cetelem's onboarding process through the implementation of the InfoCert Trusted Onboarding Platform (TOP), laying the foundation for a new digital trust framework.

Project Overview

In 2017 Cetelem Portugal was about to launch a digital loan product over the web when it decided to improve the esignature process to provide a better user experience and optimize the online, in-branch, and in-store customer journey. Encouraged by the successful partnership between Findomestic and InfoCert in Italy (which saw a 389% increase in the number of customer digitalizations within five years of project implementation), Cetelem Portugal asked InfoCert to upgrade its onboarding processes to the next level of digital technologies using qualified electronic certificates and esignatures to provide full legal value to digitally signed contracts, as it had traditionally been using paper-based contracts.

InfoCert is the largest certification authority in Europe for the eIDAS regulation and the leading qualified trust service provider with 2 million active customers, more than 2,000 customers in the enterprise segment, and offices in Italy, Germany, Spain, and Latin America. As well as having patented solutions and qualified services in the digital signature domain, registered emailing services, digital preservation, and document workflow management, InfoCert's services scale at an international level through a large multisite cloud infrastructure with customers in more than 20 countries.

Cetelem Portugal wanted a solution that could handle a range of requirements, such as support for digital contracts with multiple signers, support for the signing of multiple contracts at the same time or at different times, full coverage of all transactions and business documents with a qualified electronic signature, access to trusted services based on standard web services (REST, SOAP), and encryption of all relevant communications and documents. The whole digital process had to seamlessly integrate with Cetelem Portugal's authentication processes and local compliance practices and regulations, and the solution had to enable it (and its business partners) to build a custom front-end interface to manage all the onboarding processes according to the bank's business rules and engagement strategy.

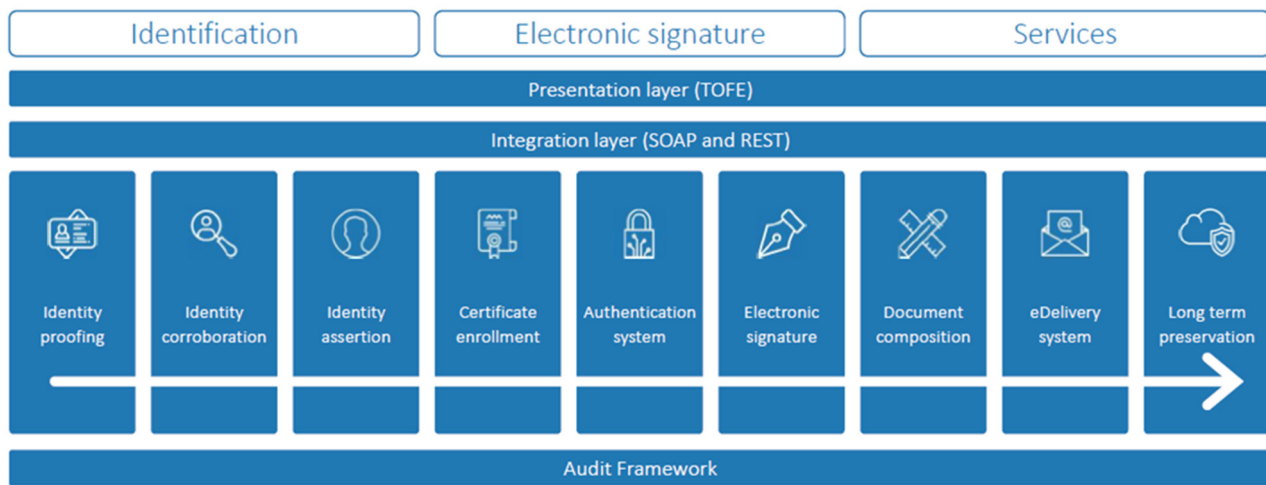
After discussing and analyzing Cetelem Portugal's challenging business and technical requirements, InfoCert proposed its patented solution for remote customer identification, InfoCert Trusted Onboarding Platform (TOP).

The project was primarily focused on the web channel, with a long tail of further potential developments in terms of DX initiatives.

The collaboration started with a joint review of the compliance processes, especially the AML issues, addressing the localization of international standard regulations to the specific business practices in Portugal. A technical liaison officer was sent to Lisbon to work closely with Cetelem Portugal's technical and business team, coordinating the common efforts of both Italian and Portuguese teams during the most delicate implementation steps, such as front-end development, configuration, integration, and testing.

The strong collaboration between Cetelem Portugal and InfoCert provided an opportunity for a common learning experience and reciprocal enrichment, closing the gap between the legal and technical teams and promoting the development of a cross-disciplinary approach to DX. After six months of close collaboration, the project achieved its main operational objectives in 2018 and now, after some months of process fine-tuning and experimentation, more than 70,000 credit lines, for both existing and prospective customers, are managed every year through the InfoCert platform.

FIGURE 1
InfoCert TOP: Platform Framework



Source: InfoCert

Trust Platform Implemented Through InfoCert TOP

The financial sector has been at the forefront of innovation in the digital space for many years, with the rapid growth in ecommerce and home banking in the late '90s to the revolution in digital payments and mobile transactions over the past 10 years. Cetelem Portugal has been a digital innovator since 2012 and from the outset it was well aware that digital trust would become a key differentiator in the financial services market.

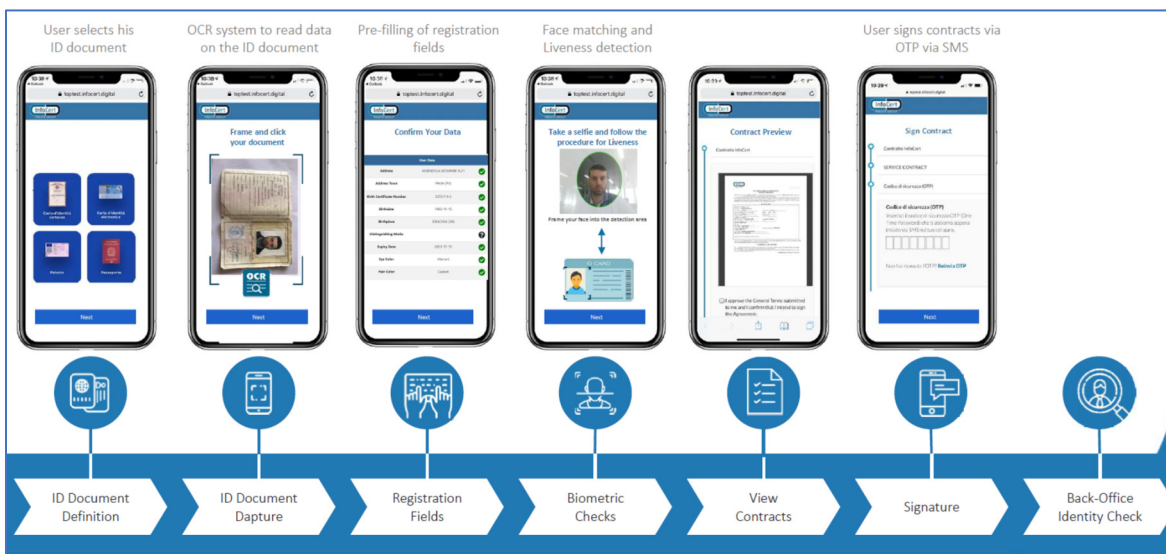
According to IDC, by 2025 about 25% of security spending globally will be put into the development of a digital trust framework by large organizations.

Digital trust is an intangible asset, similar to brand equity, but it is grounded in digital technologies: it comes from the confidence that consumers, partners, employees, and stakeholders have in the technological capability of an organization to protect the digital transactions, data, and privacy of all contractors. As data breaches, digital fraud, and electronic crime increase globally and surpass traditional forms of criminality, digital trust has become a source of differential value for companies that earn it, changing the role of IT security within organizations.

In a contactless world where economic transactions go through digital channels and mobile devices, customers' legal identity can be achieved using the right esignature process. Identity proofing and corroboration are essential steps in an onboarding process that mitigates the inherent risk of fraud or error. InfoCert TOP is a modular onboarding platform, consisting of different building blocks to easily customize digital onboarding processes to meet customers' requirements. InfoCert's technological framework includes many components that can be mandatory or optional for a specific process, a complete auditing system, and proprietary APIs to guarantee flexible and effective integration in any business environment.

Driven by the InfoCert TOP platform, Cetelem Portugal was able to completely reengineer the onboarding processes for personal loans, designing full paperless processes, device and channel independent, with a consistent user experience online, in branch or online, through any device. An important design principle that guided the joint efforts of Cetelem Portugal and InfoCert was the development of a neutral platform enabling the flexible configuration of both user experience and process independently for different use cases (account opening, credit card request, selling of consumer credit products, and so on).

FIGURE 2
Example of Identification Process with Standard Identity Document Through InfoCert TOP



Source: InfoCert

Challenges

The transition from the planning phase to technical implementation is never easy. Cetelem Portugal and InfoCert had to overcome a number of challenges to achieve their common goals. Some of these include:

- **Definition of the responsibility model.** Before the technical developments, Cetelem Portugal and InfoCert held extensive discussions, with a focus on the legal implications for the responsibility model. According to the eIDAS framework, the bank is responsible for AML verification requirements, while the qualified trust service provider is responsible for the signature certificates.
- **Platform configuration to fit AML local practices and national regulations.** InfoCert TOP robustly implements European eIDAS Regulations, but from time to time implementation at local level requires further configuration to better suit national regulations and local business practices. With Cetelem Portugal, InfoCert had to adapt the platform configuration to meet Portuguese requirements.
- **Helping Cetelem Portugal to tailor the front end.** Beneath the customary front end included with the regular offer, for further developments InfoCert proposed a flexible API to access TOP's cloud infrastructure and technological capabilities. InfoCert went the extra mile in helping Cetelem Portugal to develop a tailored front end, working with a technical liaison officer at the customer's premises in Lisbon.

Benefits

Bringing together Cetelem Portugal's customer experience capabilities and InfoCert's esign technology, the organizations saw excellent results.

Besides a wide range of qualitative benefits (such as enhanced UX, better compliance, and improved governance and security), many of the quantitative benefits followed from the complete reengineering of onboarding processes, especially in the esignature stages, which have been streamlined from a technical and legal standpoint in accordance with the latest standards and technologies. Benefits:

- Process digitization and dematerialization entirely removed the costs related to traditional paper-based contractualization and significantly reduced costs related to operational staff and human errors, **enabling a time saving of 50% to 60%.**
- By streamlining the personal loan validation process, there has been a reduction in the number of verification steps from five to three points of control, with the removal of redundant and obsolete verification phases, **enabling a cost reduction of about 30%.**
- The compound effect of the previous points, namely process digitization and lean process redesign, is an estimated **operational cost reduction of about 60% to 65%.**
- In addition, the streamlined and fully digital onboarding process has significantly **improved customer attrition, reduced the abandon rate, and almost doubled the conversion rate for new prospects.**

Cetelem Portugal now has more than 50,000 credit lines of existing customers annually managed through the digital onboarding process and about 25,000 new credit lines activated every year through the online channel. The inflow of activity through the web channel has led to a huge increase in the level of customer digitalization during the onboarding processes. Besides the acceleration of business pace and lower operational costs, Cetelem Portugal has also had the opportunity to dedicate people to different undertakings and new business development. **On top of the flexible API offered by InfoCert TOP, Cetelem Portugal has developed new activities** (including front-end and verification processes) for other banks and retailers, becoming a leading player in the API economy in Portugal.

The inspiring journey of Cetelem Portugal is still at the beginning, as banking as a service is only the first step in an even more ambitious digital road map. The next step will be the development of a new ecommerce channel with InfoCert esign technology, simplifying the onboarding processes while ensuring further levels of protection against fraud, better customer experience, and even greater customer conversion rates.

About the Analyst

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Giancarlo Vercellino is associate director at IDC Italy. He is responsible for market research in the software and service area and is involved in consulting engagements with national and multinational clients. Before joining IDC, he was a market analyst, consultant, and business manager at a number of companies and research centers. He has an MSc in IT strategic management from the Polytechnic of Turin and a PhD in management, economics, and industrial engineering from the Polytechnic of Milan. He also took part in the UCLA Global Access Program, attending MBA courses at the Anderson School of Management.

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