



UK Banking Single Customer View | OpenSpan Position Paper

Introduction

In 2009, the Financial Services Authority (FSA) introduced legislation requiring that UK deposit takers should be able to provide a file showing the positive balances of all account holders within a seven day period. This Single Customer View (SCV) mandate is in direct response to the crisis the financial services industry recently experienced with the failure of banks such as Northern Rock and Bradford and Bingley, which left depositors out of pocket for months while the Financial Services Compensation Scheme (FSCS) went through the challenging process of sorting out exactly who was owed, and how much they were due. This paper explains the value of the OpenSpan solution and its capabilities, which will allow banks and building societies to quickly and economically comply with the FSA requirement to provide an SCV by year-end 2010.

Challenge: Provide a Single Customer View by 31 December 2010

These new FSA regulations outline a series of intermediate deadlines for achieving SCV compliance. Most deposit takers will be required to submit a Pre-implementation Report to the FSA and FSCS by June 2010 which describes their plan for achieving compliance by yearend. The SCV requirement comes into force at the end of December 2010, and by 31st January 2011, each deposit taker will be required to submit an SCV data file for verification.

The requirements set forth and the deadlines imposed create a daunting task for UK banks and building societies. Some experts are estimating the total cost of compliance with these regulations could top £1 billion.

While an organisation could choose to undertake custom internal workarounds or wholesale replacements of existing IT systems, the huge expense of such an endeavour simply to provide the SCV makes it unrealistic in general, especially given the short timeframe. This is also a strategy filled with risk, and banks and building societies cannot afford to gamble on whether or not internal workarounds or massive platform purchases will work.

If delivering an SCV meant simply a query to a single system, this issue would be very straightforward. But since every organisation uses a different set of systems, with different rules defining how each piece of data should be interpreted, the challenge becomes quite daunting. Any

SCV solution worth consideration needs to integrate with all the disparate systems in place, and be aware of all the business rules involved. Given that typical back-end integration projects could take 18 months or more to implement, such a solution is likely to be costly, and nearly impossible to achieve by the strict yearend deadline.

It should also be mentioned that while an organisation may *already* have an operational view of customer data, that SCV may not completely satisfy the requirements of the FSA. Information that is spread across different systems must be cleansed and customer records aligned to present a single view of each customer's deposits.

To add further complexity, the FSA mandate is an ongoing directive requiring continual verification. Whenever material changes take place to a bank's or building society's systems (i.e. if systems are migrated to a new platform, or systems change as a result of a merger), the verification and sign off process will need to be repeated.

So how can organisations successfully meet the new FSA requirements with their existing systems? Despite the complexity of the challenge, an economical and expedient—yet secure—solution is available.

OpenSpan

OpenSpan has a proven track record of providing SCV variants for financial institutions, large enterprises, and government departments around the globe. The OpenSpan platform makes it simple and quick to integrate multiple applications together and represent that data in a different format, either on screen or by exporting it to common formats (CSV, TSV, XML etc).

The OpenSpan platform can extract data from multiple, existing systems to provide a consolidated SCV. Using OpenSpan, this process, which usually requires the coordination of many people and/or systems, can be automated, including often complex business logic. With typical OpenSpan implementations taking 6-8 weeks to develop and test, OpenSpan can achieve a SCV easily within the FSA compliance deadlines.

Benefits of Using the Proven OpenSpan Approach to the FSA SCV Project

Short implementation cycle, small services commitments. Project implementations average about 2 months. The organisation's internal IT department will work with an OpenSpan expert on an initial solution; further development will typically be handled in-house, thanks to the intuitive nature of the OpenSpan development environment.

Non-intrusive integration. OpenSpan's unique technology doesn't disturb or modify the financial institution's existing software applications. OpenSpan can integrate most Windows, Java, host/mainframe, and proprietary applications without expensive, time-consuming code or server-side integrations, as well as many diverse databases which may hold differing formats and types of customer data.

Security. OpenSpan employs the Windows security API and is compatible with Single Sign On and existing encryption systems. OpenSpan has been deployed on thousands of user desktops within the financial services industry, as well as inside some of the world's most sensitive government security operations centres.

Flexible deployment. A financial institution's own IT department can easily deploy OpenSpan solutions across an entire enterprise to every user desktop in many different configurations.

Quick to update and modify. Due to its configuration, OpenSpan is very easy to update and modify when applications change or system updates take place. In one case, a major telecommunications provider made a complete version upgrade to its key customer service agent application, affecting over 14,000 desktops. The changes to the enterprise's OpenSpan solution, which automated dozens of application workflows, were made *within one day*. This capability will make OpenSpan a key component in a deposit taker's ongoing compliance with the FSA SCV directives. Because the rules mandate re-verification and sign off whenever systems are changed materially (as in the case of migration to a new platform, or IT system changes that result from a merger), OpenSpan will speed compliance whenever any system changes might take place in the future.

Compliance. OpenSpan can perform extremely detailed monitoring of each user keystroke and action for analysis or alert triggering based on workflow performance or violations. User interfaces can be flexibly masked to safeguard sensitive information. Additionally, OpenSpan can ensure formatting compatible with FSA or other bodies as it synchronises the data between applications in providing a SCV.

SOA Friendly. OpenSpan can fit easily into existing IT services architectures for SCV integration using all standard formats.

Summary

To meet the FSA SCV deadline of 31 December 2010, a financial institution will need a proven technical solution that is flexible and secure, and which can be deployed, tested, and operational within the FSA guidelines that have been set forth.

- Banks and building societies that choose OpenSpan for SCV compliance will have a clear, easily documented path to set forth in the Pre-implementation Reports due in June 2010.
- With OpenSpan's proven track record of quickly delivering SCV projects for leading global financial institutions, those organisations can proceed with confidence toward the yearend 2010 implementation deadline and January 2011 verification deadline.

OpenSpan is deployed on over 100,000 end-user desktops world-wide with many implementations that include secure, fast, and effective single views of customer information. Institutions keep their existing systems and applications intact but gain rapid returns in weeks, not years.

OpenSpan is sometimes implemented as a bridging technology, but many institutions ultimately retain and continue to expand their OpenSpan projects because of the versatile nature of the platform.

GETTING STARTED

To learn more about how to deliver a Single Customer View using OpenSpan, please visit www.openspan.com, or contact us at sales@openspan.com.



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