



BMSW4003

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# Digital Skills and Research Methods

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# Barclays Bank



## *INTRODUCTION OF MODERN TECHNOLOGY*

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**CONCLUSIONS AND REFERENCES**

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**TOPIC: BACKGROUND OF THE ORGANISATION**

**CHALLENGES BEFORE INTRODUCING MODERN TECHNOLOGY**

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**THE IMPACT OF THE TECHNOLOGY INTRODUCED- STATISTICS**

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**TOPIC: IMPACT OF MODERN TECHNOLOGY ON BARCLAYS ACTIVITY- POSITIVE IMPACT, NEGATIVE IMPACT**

**LESSONS DRAWN FROM THE CASE STUDY**

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# Introduction of modern technology in Barclays Bank

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# Introduction

## What is modern technology?

- The focus of modern technology is **Efficiency** and **Speed**

### *Advantages*

Saving time, money

Worldwide connection

More access

Empowerment

### *Disadvantages*

Dependence on new technology

Decline of human capital

Impact on privacy

Social isolation

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# The 5 Hottest Technologies in Banking for 2020

- Digital Account Opening
- P2P payments (Person-to-person)
- Video collaboration/ marketing
  - Cloud computing
  - Application Programming interfaces (APIs)

(Forbes, 2020).

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# Background of the organisation

## Barclays history

- Barclays PLC is a British bank, based in London, United Kingdom with an experience of over 300 years (Barclays, 2020). It activates as an investment bank and as a financial services organisation

## Aims and objectives

- To become one of the biggest transatlantic bank

## Scope/ Purpose of Barclays Bank

- To generate sustainable value for Barclays stakeholders
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## Barclays mission and vision

- Mission: “Creating opportunities to rise” Barclays, 2020.
- Vision: To build a world-class organisation by providing a leading business, a portfolio of quality brands and promoting a high performance culture

## Current services offered by Barclays

- Barclays has 4 core business:
  - *Personal banking,*
  - *Corporate banking,*
  - *Wealth management*
  - *Investment management*



# Challenges before introducing Modern Technology

## Barclays and technology evolution- different types of challenges faced by Barclays

1. A century ago, **operations** such as transactions and administrative processes were done manually and handwritten

- 1896 - Barclays began to acquire labour-saving machines

- 1959 -the first UK Bank to use computers for branch accounting

- 1967 -the first generation of cash machines

- 1995 - along with internet arrival, Barclays introduced “Netlink” the first bank-related internet service

- 1997 - introduction of the first on-line banking service (Barclays archive, 2020).



# How Barclays operated before the arrival of the internet and digitalisation age?



Vs.



2. Challenges regarding Barclays activity before introducing Modern Technology were related to:

Long processing: transactions would take more time to be approved by hierarchal systems

Higher levels of fraud: internal- among employees, and external- among customers by mishandling the system

Increased costs for the bank: in order to expand their business locations or operations the bank

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# How Barclays operated before the arrival of the internet and digitalisation age?

Resources wasting: More paperwork, More staff, More branches

Time consuming: Their operations involved precise framework that had to be done by employees, many times with no automatisation

Less volume of business: the bank could only provide services in branches, being limited to their geographic spread

3. Customers had to physically go to the bank for every transaction they needed and face Lengthy queues, increased costs in fees

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# Insights of the Modern Technology Introduced in Barclays

Technology transformed the banking system over the last century

- **Barclays** was often at the cutting edge of many other banks a leap forwards along time
  - Considers digital technology as **CRUCIAL** to its future activities
  - Focuses on “integrating their customers demands with the growing digitalisation of the retail banking”
  - 2017- Barclays invested 4,148m towards the funding of their digital transformation strategies
  - **Consumer lending**- the most digitally advanced product of Barclays
    - instant lending via mobile using 6 taps
    - pre approval of existing customers online (Financial Times, 2016).
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# Barclays mobile app

- Barclays claims that it has the “Most Used Banking App in the UK”
  - 1.7bn customer interaction from over 7.4m customers when using the app
  - Their app has an easy to use interface
  - Money transfer and transactions in minutes
  - 90% of the transactions made using mobile devices
  - Features such as card freezing, pin viewing, bills and payments tracking
  - Ability to view customers account in 11 other banks such as major players: HSBC, Natwest, Halifax
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# Self service machines

## “Barclays Essentials”

### Self service machines and Assisted service counter

- Through which customers can deposit cash, pay bills, deposit cheques, make appointments with bank representatives

### Skybranch

- Through which customers can discuss with bank representatives via web chat, e-mail, telephone, social media

(Barclays, 2020).

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# The Digital Eagles Initiative

- Introduced in 2013
  - A current number of 12000 Digital Eagles to help customer get online in order to access their digital services
  - “Code Playground” - classes offered by Barclays to help customers with teaching beginner coding, tips for online safety
  - For home learning Barclays created Youtube account
  - One to one sessions in branch for senior customers mostly to help them access bank’s digital services and acknowledge cyber fraud attempts (DigiSafe in Cyber Space and Support Bar)
  - Barclays invested 10m on digital projects to warn customers on cyber fraud risks
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# Contactless Technology

- Contactless technology allows customers to shop and make payments of a certain amount of money without having to insert the card and introduce the pin number
  - It is more easier to use and faster
  - Contactless technology is used also to make payments using virtual cards via the Barclays app
  - Barclays was one of the first banks to introduce this type of technology
  - Another way to use contactless technology is the possibility of paying cheques without going to the branch up to a sum of money of £500 in 4 cheques (Barclays, 2020).
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# Eagle Labs

- ***Barclays supports technology that empowers people***



Eagle Labs offers learning sessions to small and medium enterprises regarding coding, digital safety and cyber fraud risks whilst using and providing new technologies

(Barclays Investors, 2020).

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# Technology on-the-go

*Barclays (2020) claims that more than 7.4 million of their customers bank on-the-go and that through this technology more than 120 journeys are transformed. Their customers are able to benefit of:*

- Smart Call
  - Video Banking
  - Mobile Cheque Deposit
  - Pingit P2P
  - Siri Payments
  - Mobile Contactless Payment
  - Cloud It
  - Lost and Stolen Card
  - View Credit Score
  - Change ATM Limits and Amend credit limits
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# The impact of the technology introduced

## Statistics

- 39% of retail banking state that the greatest impact of the introduction of technology is reducing cost
  - 24% of retail banking state that it improved customer experience
  - Other impacts include efficiency improvement in banks operation
- (Business Insider, 2019)
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## Positive Impact

- Modern technology drives efficiency
  - It offered competitive advantage
  - It transformed data collection and storage
  - It enlarged the number of customers and the geographic spread
  - It reduced costs for the business, economy of scale
  - It speeded their operations and saved time
  - It granted convenient and instant access worldwide
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# Negative Impact

- Increased dependance on the technology
- Threat of cyber-security breaches
- It reduced the number customers
- going physically to the bank leading to closing branches or reducing opening hours
- It reduced the number of operations leading to staff redundancy



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# Lessons drawn from the case study

## Modern technology in the banking system

### **Traditional role**

To borrow and lend money

To transfer funds from savers to investors

To execute screening for borrower risk

To execute the monitoring of the borrower

(Bilan, 2019)

### **Modern banking**

Broader scope

Sophisticated Financial products

Wider geography coverage

Financial innovation and technology

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# Importance of modern technology

- Banks have to be able to adapt and operate in new ways to keep up with customers new expectations in accessing their bank
- Customers use smartphones daily and have access to internet and are expecting instant access via their phones
- An average Barclays customer uses the mobile app more than 26 times per month (Prospect Magazine, 2015)

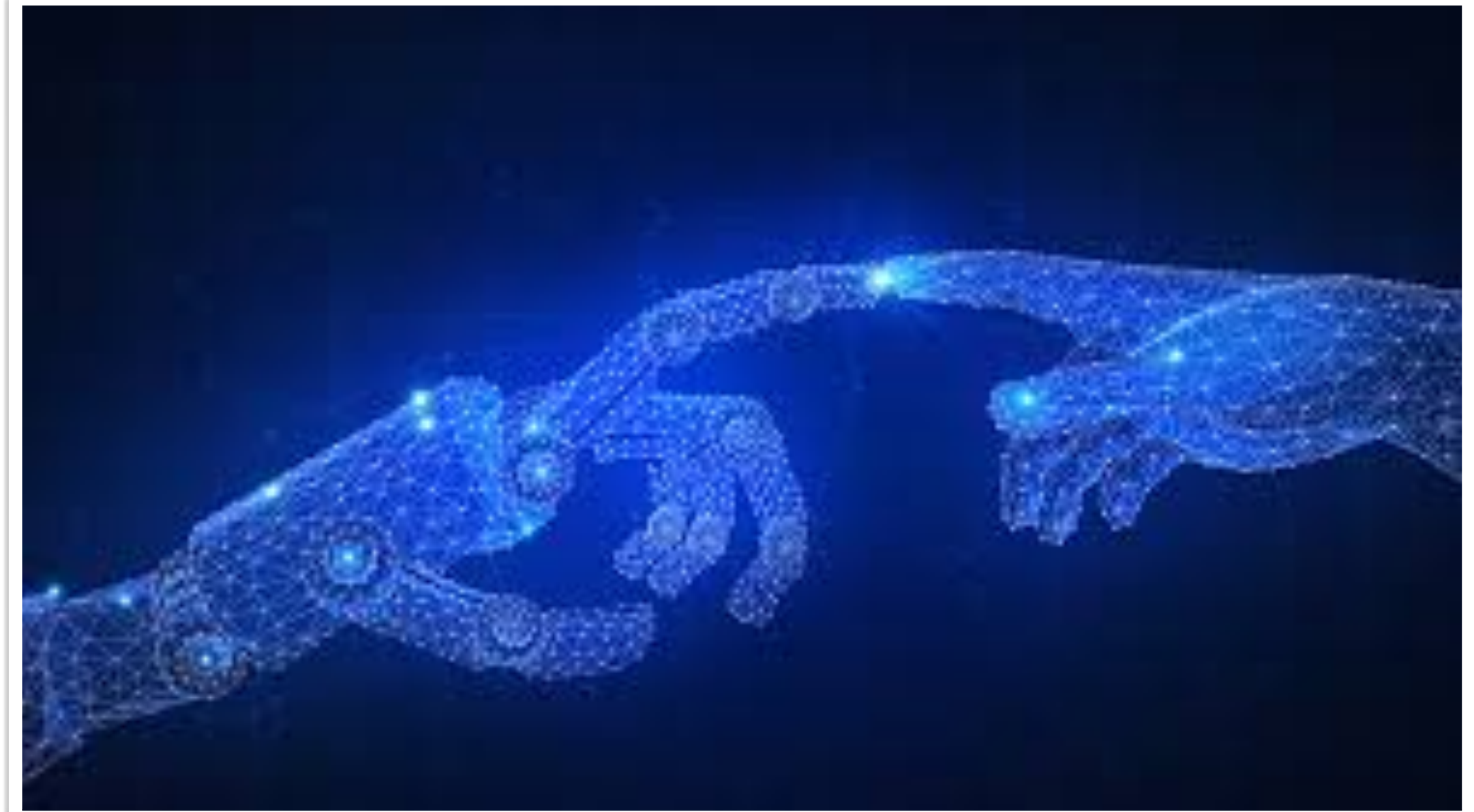


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# Conclusions

- Barclays considers that technology has an important role in business, but also in redefining society
  - The usage of modern technology in Barclays was embraced to better their business
  - It helped Barclays to create better tools to provide their services
  - Customers feel more confident with using their bank services
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- Banking sector embracing technology is an imposed process in their adaptation to the fast development of the industry
  - Technology improved safety and there is a more positive impact rather than negative



*Modern technology improved life standard!*

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