

LLOYDS BANK FOUNDATION

England & Wales



Digital Skills and Research Methods

Impact of Modern Technology on Lloyds Bank

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Module lecturer : Suneth Fernando
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Student Name:

Student Number:

Marian Salca-group leader	1915301
Mihaela Rotaru	1917114
Daniel Mitita	1916138
Daniel Osan	1914787
Veronica Fartade	1915300

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Introduction



Modern businesses require modern technology

There is a need for improving digital skills to be more competitive

Without digital skills it is next to impossible to reach out to the customers

Needed to build more trust and improving relationships with clients

Financial technology (FinTech) is the modern technology for financial services

Lloyds Bank has been associated with such technology that has reflected in their practice

The present era is very demanding when it comes to being digital. Modern technology has brought about a change in every aspect of the business. Any business organisation delivering goods or services are required to hone digital skills that would help them provide effectively to their customers. Modern technology has played an active role in building customer relationships, enhancing trust, and understanding market trends for meeting market gaps. This is very true for the financial sector. Technology has played a pivotal role in changing the effectiveness of financial services in the UK . This study deals with how Lloyd bank has been associated with modern technology and how their services have been transformed through the impact of modern technology.

Background of Lloyds Bank-Mihaela Rotaru

Background of Lloyds Bank



Headquartered in London, Lloyds Bank have been operating for 255 years

It is considered as one of the Big Four financial institutions

Until recently, the British Government held about 43% of its shares

When the Government had sold its shares in 2017, it had received much more money than what was invested.

Through its branches across England and Wales, the organisation had controlled the economic health of UK

Throughout the years, it has been able to gain trust from its existing stakeholders such as the government, consumers, partners and many other partnering institutions.

Lloyds Bank is one of the oldest financial institutions belonging to the UK. Formerly known as Lloyds TSB Bank plc, the institution was founded in the year 1765 and currently happens to be more than 250 years old. Lloyds Bank happens to be one of the most renowned financial organisations existing in Britain. If one has to be specific, it is considered as one of the Big Four and has a considerable role to play when it comes to maintaining the health of the economy's currency. *“The term Big Four is common for several countries, where the entire financial system is under the domination of four institutions” (Lloydsbank, 2020).* The bank had spread its branches across England and Wales. The Government of UK happened to be one of the key stakeholders of the bank, with a shareholding of 43% which was finally sold, ending up receiving more money than the initial invested

Lloyds Bank background

The UK has been subjected to economic and political instability in the last few years

Lloyds, however, maintained its resilience

Real wages have risen

There was no fall in employment

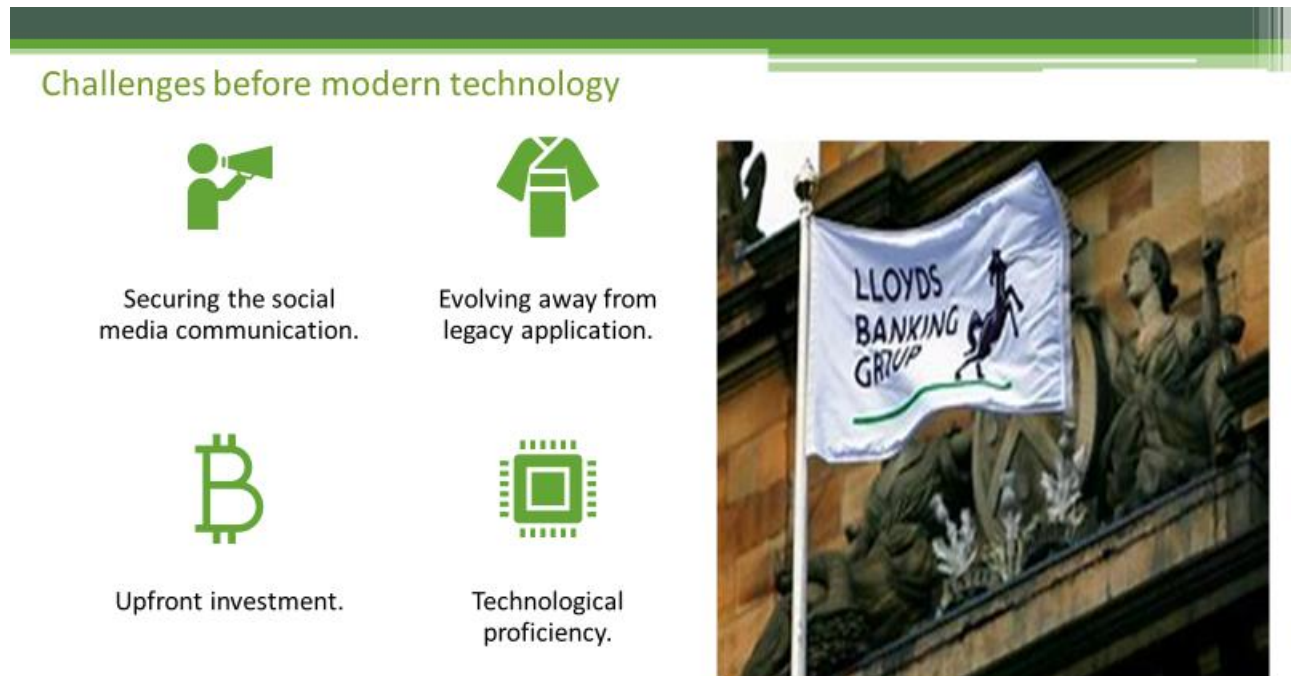
One of the key reasons behind the good performance is the organisation's improved digital index

Modern technology has allowed it to work efficiently with organisations like NHS, and Department for Work & Pensions, amongst many others

Its contribution to the betterment of the common welfare of the people has been brilliant

It is known that the current years of the UK system have been a witness to several political and economic turmoil, given the situation of Brexit amongst the many significant. However, even at the face of such challenges, Lloyds Bank has been able to maintain its resilience. This has been through the record strength of employment and consecutively rising real wages, which was unprecedented . This was only possible because of the institution's efforts in applying modern technology through FinTech, as reflected in its Consumer Digital Index Report ‘‘Lloydsbank, 2020’’. Few of the key stakeholders of the bank that need mentioning are NHS, where the bank finances its operations associated with Health and Social care of the UK, and Department for Work & Pensions that happens to be an integral part of the UK government. Apart from these two, there are many other organisations like Accenture, GMCA, Greater London Authority, and so on, that have been actively integrated with the organisation.

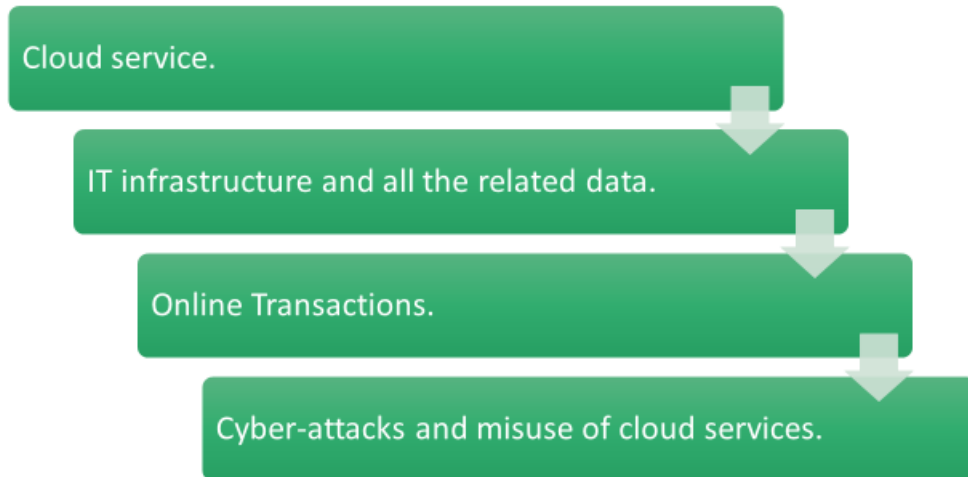
Challenges before modern technology in Lloyds Banks-Daniel Osan



Lloyds bank have started to recognise the need to implement the new technologies. The study published by Simpson, Love & Walker (2019) outlines that half of the bankers faces security challenge in social media as their principal way of communication. As the number of social media users is continuously increasing, Lloyds bank can use this way to introduce their social media strategy by stating how it simplifies and streamlines communication with the customers. However, introducing this will bring challenge of security and compliance. For example, it is easy for someone to post misguiding information about the bank that could impact the image of the company.

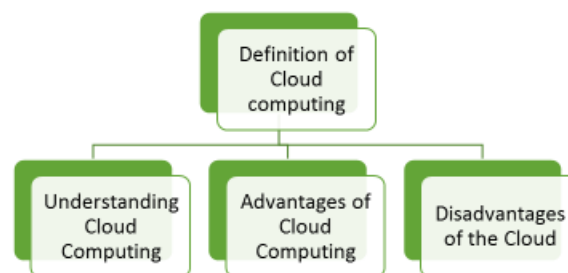
The deficiency of technological proficiency is Lloyds bank is alarming and customers now want to enjoy more experience that can't be provided with traditional banking systems. This transition from dated and disparate legacy banking system to the modern business environment could be daunting (Moshirian, Susantono & Yu, 2019). This change bring the challenge of huge upfront investment for the necessary applications such as integrations with external systems, maintenance, security and custom processes. Furthermore, employees also need to be trained and constantly updated about the technological advancement that could maximise the investment.

Challenges before modern technology



The security of the IT infrastructure and all the related data remains one of the biggest challenge that would be faced by Lloyds bank. The bank IT infrastructure has thousands of networked computers and other connected devices (Parambil & Simon, 2019). Furthermore social, cloud and mobile channels also have chance of potential attack. Data in the clouds are also exposed to the same threats as old-style infrastructures. Lloyd bank also have to face the challenge of cyber-attacks and misuse of cloud services. Security for the online transactions is another major challenge that need to be faced by Lloyds Bank. For example, in online banking, cyber criminals only need to discover certain private info for break into someone's personal account and take their money. This can be done secretly (Moshirian, Susantono & Yu, 2019). Furthermore, banking security relies on the online platforms which can produce substantial losses if their program crashes or there are bugs in the code. A solitary technical issue in the bank could bring the operations of the bank down for a day and can cause millions of losses.

Insights of modern technology



Definition of Cloud Computing

· What Is Cloud Computing?

Cloud computing is the delivery of diverse services, over and done with the help of using Internet sources.

These assets comprise implements and submissions like data packing, servers, files, networking, and software.

Slightly than protecting documents on an exclusive hard drive or confined storage device, cloud-based storage creates it likely to protect them to an isolated folder. As long as an automatic device has admission to the network, it has entree to the info and the software programs to make it work properly.

· Understanding Cloud Computing

Cloud computing is a typical choice for general public and trades for an amount of reasons counting cost investments, superior productivity, promptness and effectiveness, performance, and safety.

Cloud computing is named as such for the purpose that the info being opened is originate tenuously in the bank of cloud or a cybernetic space. Corporations that deliver cloud facilities allows operators to stock documents and submissions on secure servers and then entree all the information through the Internet.

2. Advantage/ Disadvantages of Cloud Computing

· Advantages of Cloud Computing

Cloud-based software deals businesses from all segments, including Lloyds Bank, an amount of benefits, plus the aptitude to practice software from any source, via a natural app or a browser.

Cloud computing is faraway more than just reading files on numerous devices. Thanks to cloud computing facilities, operators can check their email on

any computer or device and even stock records using facilities such as Dropbox and Google Drive.

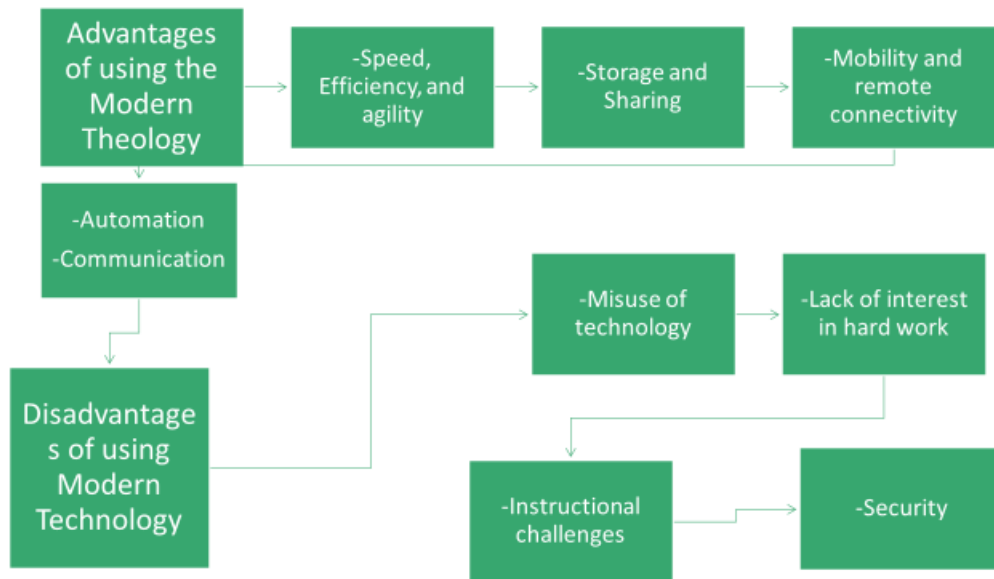
It also offers Lloyds Bank's, enormous cost-saving prospective. Previously the cloud converted into a sustainable alternative, businesses were required to purchase, build, and preserve expensive information management technology and infrastructure. Companies can exchange costly server centers and IT subdivisions for fast Internet connections, where personnel cooperate with the cloud online to complete their responsibilities.

· Disadvantages of the Cloud Computing

With all of the promptness, competences, and revolutions that come with cloud computing, there are obviously risks.

Security has continuously remains a big concern with the cloud particularly when it comes to sensitive personal records and financial information. While procedures force cloud computing amenities to shore up their security and acquiescence measures, it remains a constant concern.

Insights of modern technology

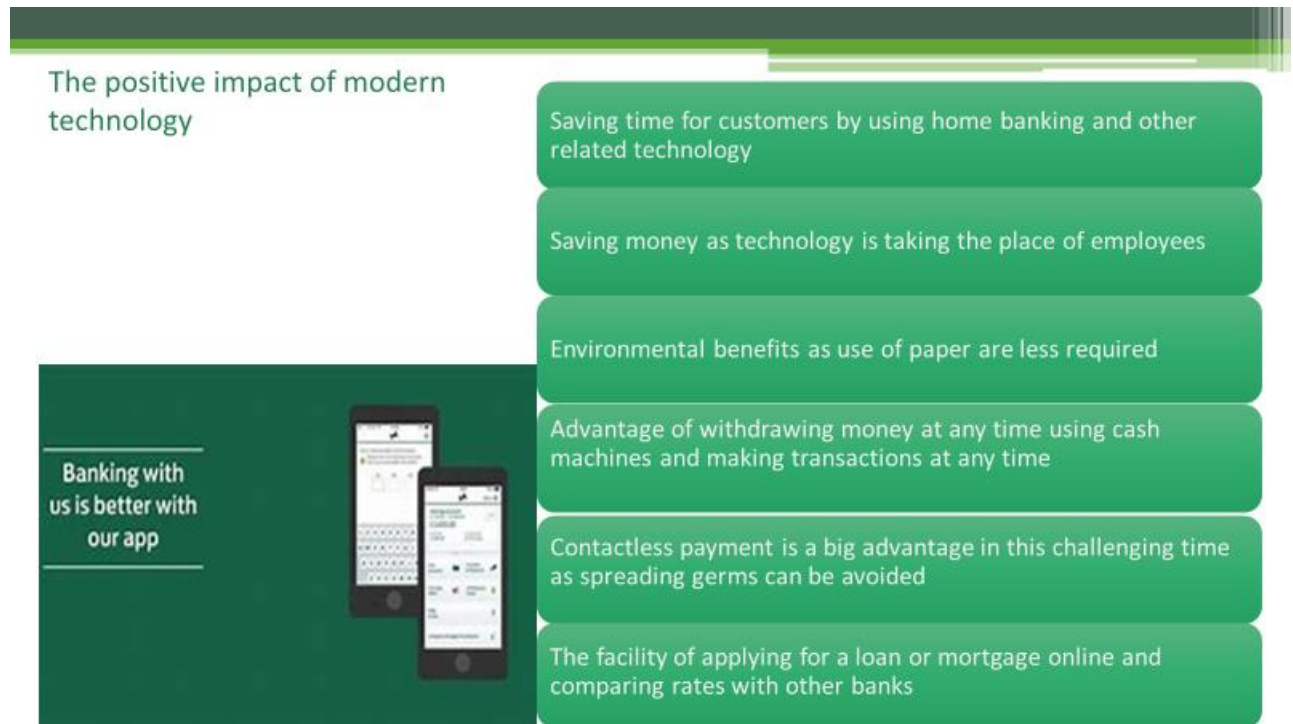


- Lloyds Bank PLC is a financial company that offers services in banking and insurance industry and is operating in England and Wales. It has been founded by John Taylor and Sampson Lloyd in 1765 and since then it remains in top four banks with excellence customers services provided.
- Lloyds Bank is working in collaboration with TSB Bank and Trustee Savings Bank.
- They are offering good customer services such like current accounts, credit card, loans, saving deposit scheme, investing, mobile banking, car finance, insurance.
- Lloyds bank is using modern technology such as Fin Tech and Cloud Computing

“A bank is a place where they lend you an umbrella in fair weather and ask for it back when it begins to rain” (Robert Frost, 2003)s

https://books.google.co.uk/books?id=ZU3jgXM5E04C&dq=a+bank+is+a+place+where+they+lend&source=gbs_navlinks_s

Impact of modern technology on Lloyds bank-Marian Salca



Technology have changed our lives in the last years. Once you set up an account with Lloyds Bank there is a facility of downloading the Lloyd Bank app for free. There is a lot of services within the app that will allow you to transfer money in real-time, pay bills, check your balance, check credit score, and so on.

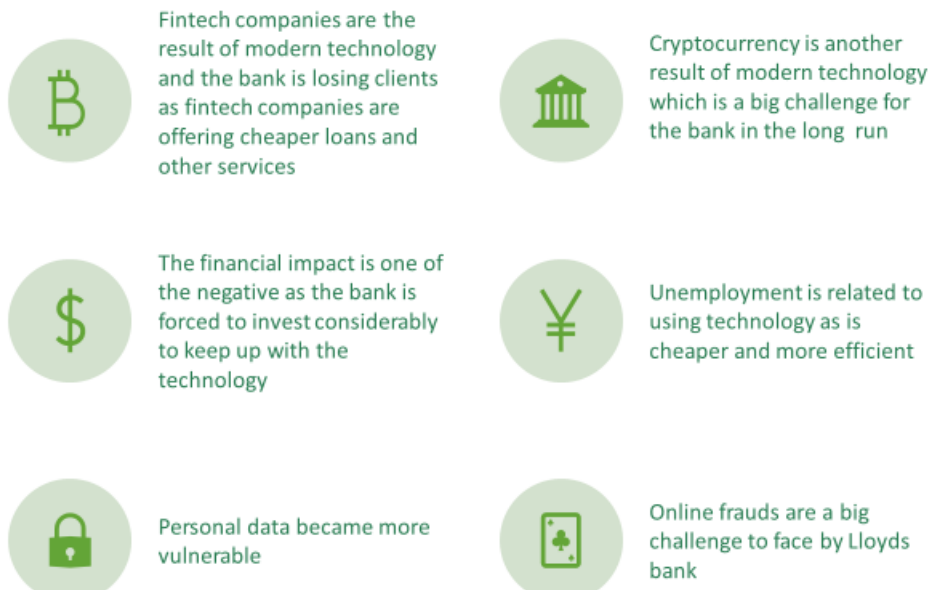
Using technology there is no need to go at the branch so it is more like self-service banking, so there is the advantage for the bank that they will need fewer employees to manage the same amount of customers, but there is an advantage for customers as not spending time to go to the bank and staying in a queue. "Lloyds, which has shed more than 30,000 jobs and closed almost a quarter of its branches in the past eight years, hopes the shift will stave off the threat of digital upstarts by further cutting its costs and allowing it to offer new, more personalized products." (Lloyds plans to cut costs with start-up's IT platform, 2020)

Using online services will not require the use of paper that often as no need for printing transactions as everything is stored in the Lloyd online banking app so this is one of the environmental positive impacts.

Using the cash machines we are able to withdraw or deposit money or checks at any time of the day without waiting to branch to be open.

During these challenging times, touching surfaces as POS within the stores involves risk of contamination so we have the possibility of contactless payments helping to avoid that. Applying to a loan or mortgage online will also help to not get in contact with other people during these times but will save time as well.

The negative impact of modern technology



Fintech companies are a threat to the traditional bank so Lloyd bank is trying to keep up with the concurrence by investing money to keep up with them. Cryptocurrency is the technology in continuous growth so the bank has to be aware of how it will be affected by that.

Bringing up technology means spending money as the bank is ready to invest a considerable amount. "Lloyds said the £3bn would be used to create a "digitized" bank, with a simplified and progressive modernization of our data and IT infrastructure." (Lloyds Banking Group to splash £3bn on tech, 2020)

Due to the vulnerability of internet services, there is always a risk that the personal information to be accessed by hackers and money from the accounts to be stolen so the negative aspects are the be considered.

Veronica Fartade-Lessons drawn from this case study (Lloyds Bank) and conclusion.

Lessons drawn from the case study(Lloyds Bank)

Differences between traditional and Modern technology

Traditional technology Lloyds Bank

- No centralized data
- No data protection
- Poor customer service
- Low security
- Long ques
- Large amount of paperwork
- Employees were working long hours

Modern technology

- First computer 1959
- ATM machines
- Centralization of data
- Data protection
- Accessible banking for everyone
- Less employees and work more efficient

Traditional Technology between 1695 and 1959 when Bank of Scotland, today Lloyds Bank was developing a computer to help with the centralization of accounts and it has been the first bank from the United Kingdom. In old times, banks were facing issues like long ques and a large amount of paper that was hard for the employees to manage. Moreover because of the amount of paperwork, usually there was happening more faults and also issues with the data protection, also because employees were working a lot of hours, there were higher chances to make mistakes and errors and also banks were facing a poor customer service as the customers were waiting hours to fill in papers.

In contrast with traditional technology, modern technology was necessary to be introduced as more people were using banking so banks needed to implement technologies to help employees to work faster, also modern technology helped banks to centralize data faster, another difference is that the data protection was kept saver and in nowadays banking is accessible to anyone because you can access it online, open new accounts in a few minutes and also another difference is that modern technology helped banks to save money and be more profitable (How Technology Has Changed the Face of Banking Industry?, 2020).

Why modern technology is important for Lloyds Bank



Difficult to exist on the market and be competitive without modern technology



No customers



Efficient



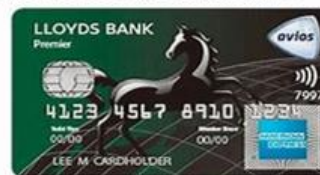
Faster



Easy access for any customer

Consequences of not using modern technology

- ☐ Losing customers
- ☐ The need of more employees
- ☐ Nonprofitable
- ☐ No access to the entire market



Modern technology is Important for all banking sector as it saves time it is more efficient and it can be accessible to any individual to open an account, to manage their accounts without losing time to go to that particular branch.

The banking sector, nowadays it should be correlated with the modern technology as, without it, they need more employees, more branches and also they can not function well and be on the market and making a profit. This sector will be always in continuous developing because technology is bringing changes to our lives every day.

Conclusion

- ❖ Traditional technology has facing a lot of issues
- ❖ Traditional technology was not so efficient
- ❖ Modern technology is faster, easy to be accessed
- ❖ Businesses need modern technology

This presentation aimed to analyse the impact of the modern technology on Lloyds bank, positive impact and also negative impact, the challenges faced before introducing modern technology, like less data protection, poor customer service, security, insights of modern technology, cloud computing, advantages and disadvantages also it showed a short background of the company. In conclusion modern technology is very important as it helps the company to exist on the market but there is also negatives aspects of using modern technology.

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