

SIGNICAT



Rabobank customer case study

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Creating the world's first Digital Identity Service Provider with Rabobank

Background

Rabobank is an international financial services provider headquartered in the Netherlands, serving 8.4 million clients around the world. It is a cooperative bank with an unparalleled knowledge in the food and agricultural industry. Measured by Tier 1 capital, Rabobank Group is one of the world's largest financial institutions.



Challenge:

As traditional institutions increasingly come under threat from fintechs, challenger banks and big tech companies, Rabobank realised that its existing services are under threat from commodification and disintermediation by competition. Conversely, consumers and businesses in the age of password fatigue and hackers, need a new way to build mutual trust and ensure that the business is legitimate, and the customer is genuine. As a trusted entity, Rabobank knew it was in pole position to take its brand equity, customer data, and position in the value chain, to provide digital identity service to improve the speed, security and utility of online commerce. It needed to focus on trust, not transactions.

The challenge Rabobank's enterprise clients faced was that KYC and AML regulations demand banking grade identification and authentication of end users. This required additional processes that degraded the user experience. The majority of this is analogue, not digital. This means staff have to manually check passports and driver's licenses, by hand in person. Rabobank wanted to develop a digitised service that could be rolled out for its enterprise clients to make onboarding simpler and more convenient for the end user to increase online conversion and ensure compliance.



Although Rabobank has the brand visibility in the market, and the experience working with large multi-national enterprises, it didn't have the deep expertise of digital identity to develop such a service.



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Digital identity is one of the fastest growing technology sectors in the world and we saw there was a huge opportunity to be seized.



Daan van den Eshof
Product Manager
Rabo Digital Identity Service

“In line with its new digital strategy, Rabobank looked for a partner to enter this new space. We knew that partnering with a fintech would accelerate our go-to-market, but the challenge was finding a partner that was the right fit.

We needed a true partnership where both parties have skin in the game and share the same philosophy.”

The solution

Rabobank needed a partner that understood the digital identity space to help build a new platform. With a decade of experience working with electronic IDs (eIDs), and hundreds of financial institutions using its trusted digital identity services, Rabobank identified and selected Signicat to collaborate on the project. Together, they launched Rabo Digital Identity Service, a bank-led Digital Identity Service Provider (DISP). It was launched in the Netherlands in 2017 and is the first of its kind globally.

The DISP brings together Rabobank's experience with large, multi-national enterprises, Signicat's digital identity technology, and a host of identity scheme providers. The result is a single, cross-border method for digital on-boarding, login, signature and archiving that avoids cumbersome UX for consumers and high manual costs for enterprises. Rabo Digital Identity Service is marketed to and used by energy, telecom and insurance

companies, healthcare institutions and financial service providers.

The platform enables end users to use a range of identity schemes to access online services, including the Dutch IDs, iDIN and DigiD, others from around Europe including NemID and Freja ID, and social logins such as Google. This means that Rabo Digital Identity Service clients can let their customers decide how they want to identify themselves digitally and conveniently. As this includes eIDs from across Europe, it makes cross-border account opening or on-boarding simpler too. It also removes the risk of unfamiliar documents passing through manual checks. Enterprises can accept customers from across Europe, while still meeting regulatory demands. End users can log onto the service providers' website using one of the identity services and can then for example sign a contract, meaning the whole process is 100% digital.





As well as being able to bring advanced technical capabilities and knowledge, Signicat was able to understand the organisational culture of Rabobank, which was important for the collaboration.



*"We wanted to offer our enterprise clients **the best technology and service that we could, so partnering with Signicat, a well-established, leading fintech player that understood the digital identity market, was crucial.***

It's not easy to find a partner that shares the same mindset, but Signicat was able to visualise the future in the same way, and enabled us to create a superior, trusted product for our clients."

Daan van den Eshof

Since collaborating to create the DISP, Rabo Digital Identity Service has been able to increase online conversion for its enterprise clients. Its first customer was Rabobank itself, digitally on-boarding customers for its insurance and mortgage arms. Since it went live in January 2018, Rabo Digital Identity Service has on-boarded over 190,000 customers and made considerable savings for Rabobank. The majority of customers on-boarded are signing up for insurance products with Rabobank's partner provider. A fairly straightforward identity process means the cost per identification has reduced from €1.20 to €0.50, translating to a 58% saved per transaction by using Rabo Digital Identity Service. However, with an average of just over 20,000

customers identified each month, the total savings since May 2017 to August 2019 add up to €1,330,000.

Mortgage lending means a much more involved KYC process to minimise the risk of fraud. Manual processes here cost an average of €37.50 per customer, when the cost of labour is included. So while far fewer mortgage customers have been on-boarded—10,000—Rabobank has saved €375,000 by using Rabo Digital Identity Service. In total, Rabo Digital Identity Service has saved Rabobank €502,848 in the time since launch, while also offering customers a far better experience—identifying themselves digitally rather than using slow and frustrating manual methods.

Since January 2018, Rabo eBusiness has on-boarded

190,000
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Rabo Digital Identity Service has been widely recognised by the financial service industry for its innovation with multiple award wins and nominations. In 2018, Aite Group, a leading independent research firm in the financial services industry awarded the project its Impact Innovation Award in the Digital Channel Capabilities category. Rabo Digital Identity Service also won the Celent Model Bank Award for Identity Management in 2019, a prestigious award ran by the leading financial services research firm. In addition, the project was shortlisted for the Banking Technology Awards 2018 and FStech Awards 2019 in recognition of the successful partnership between a bank and a fintech. Rabo Digital Identity Service is regularly called out for its best-in-class innovation in the media, in titles including The Times and The Banker.



*"We've been extremely impressed with the ongoing **support and technical expertise from Signicat throughout the whole process**. The launch of Rabo Digital Identity Service has not only set Rabobank apart from the competition, **it has provided huge cost savings for our clients and transformed the identity process**. Following the positive feedback from our clients, and the recognition from prestigious award schemes, we are now more confident than ever to expand our services to more markets, with the support of Signicat."*

Van den Eshof

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