

Vendor Q&A

What are the latest developments in RDC?

Harland: Financial institutions are expecting additional enhancements around risk management. Fraud still is important, but there are only small isolated cases today as merchant capture is largely done for small business clients. As the industry expands to consumer capture technologies, the risks will increase and providers need to provide the tools to manage those increased risks.

Bluepoint: Electronic check processing continues to spread to capture points beyond the branch. In the next year, look for expanded deployment of teller capture, ATM capture and mobile capture. Bluepoint is also seeing growth and more demand for RDC technology within the back offices of financial institutions, particularly in the mailroom with remittance processing combined with deposit processing. Financial institutions are exploring ways to add additional value to check processing, particularly with fraud, counterfeit and check-loss reduction enhancements.

CFC: The second half of 2011 has brought a renewed focus on remote deposit capture. Financial institutions that previously purchased RDC solutions that have not kept pace with their needs (logo/branding, thick client software solutions, FI-dependent installation and support models) are causing FIs to replace these original solutions in favor of lower cost, less complex and less internal resource-dependent RDC solutions.

What trends are you seeing in terms of bank deployment and business demand/acceptance?

Bluepoint: The noise about business or corporate RDC has been drowned out by the buzz of mobile RDC. It still represents a lot of potential growth for financial institutions looking to bolster their business banking services, but hasn't seen the same type of growth as other RDC points.

CFC: Remote deposit continues to be added by FIs that, up until now, felt little customer or competitive pressure to offer remote deposit capture services. Small community banks are adding remote deposit to satisfy their best accounts and to retain customers who may leave in search of another FI that already offers remote deposit services.

Remote deposit continues to be sticky with less than 2 percent of businesses discontinuing using remote deposit once they have had it for more than 60 days. We are seeing an increased trend of business owners who are willing to pay for remote deposit capture services once they understand the benefits and what their actual costs of taking deposits to their financial institutions are.

Harland: Many banks are getting more aggressive in their plans and efforts to market RDC services to their small business customers. Many banks focused first on their middle market and larger customers. As the price of the scanners has come down, and there are new options such as using a mobile device, the attraction of the offering for the small business has increased. Creative programs are being developed to market RDC to small businesses, often through the branch network.

Is RDC winning new customers for banks?

CFC: Yes! Community banks that are focusing on customers' needs are winning new business accounts. Large national and regional banks have done a poor job of offering customized solutions to their customers, choosing to use a one-size-fits-all approach particularly with remote deposit. Most small businesses have been ignored. Community banks will find opportunities in offering more affordable remote deposit solutions to these small business and home office customers. Another market that has been underserved is larger companies that process remittance coupons with their check payments. These companies want to continue to process their own payments and want more capabilities than just capturing and transmitting checks to their banks. Banks that have integrated accounting capabilities in their remote deposit capture solutions will have an opportunity to obtain these large accounts as new customers.

Bluepoint: Mobile RDC on its own isn't enough to attract new customers. However, when deployed as part of a comprehensive mobile strategy, the customer engagement becomes richer and more valuable in terms of accessing up-to-date account information, managing finances in a meaningful way that includes sending payments through multiple methods, and even applying for new financial products from a bank or credit union. When launched as part of an integrated mobile banking strategy, mobile RDC will be key in winning new customers for banks.