NeoBank Digital – Customer Onboarding & KYC Module

1. Document Control

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2. Executive Summary

The Customer Onboarding & KYC Module aims to provide a seamless, secure, and compliant digital onboarding experience for new customers. It enables account creation, identity verification, and regulatory KYC (Know Your Customer) checks with minimal friction, ensuring high conversion rates while maintaining security and compliance.

3. Objectives

- Reduce onboarding drop-off rate by 30% in the first 6 months.
- Achieve regulatory compliance across all operating regions (KYC/AML).
- Provide a mobile-first, intuitive customer journey.
- Ensure secure storage and transmission of personal documents.

4. Scope

In-Scope

- Digital account creation via web & mobile
- Customer profile creation and validation
- Document upload (ID proof, address proof, income proof)
- Automated KYC verification through third-party providers
- Support for biometric authentication
- E-signature for regulatory compliance

Out-of-Scope

- Loan approval & disbursal processes
- Credit scoring and risk profiling
- Fraud detection (separate module)

5. Key Features

1. User Registration – mobile/email sign-up, OTP verification
2. Profile Setup – personal info, address, employment details
3. Document Upload – passport, national ID, utility bills (JPEG/PNG/PDF)
4. KYC Verification – integration with identity verification APIs
5. Biometric Authentication – optional step for mobile devices
6. E-Signature – for consent and compliance agreements
7. Progress Tracker – shows onboarding completion percentage

6. User Stories

- As a **new customer**, I want to sign up with my mobile number so that I can quickly start the onboarding process.
- As a **customer**, I want to upload my ID and address documents so that my identity can be verified digitally.
- As a **compliance officer**, I want to ensure KYC is performed via verified providers so that the bank complies with AML regulations.
- As a **returning customer**, I want to resume onboarding where I left off so I don't have to start over.

7. Integrations

- Identity Verification Service (Onfido, Trulioo, Aadhaar API)
- Document OCR & Validation Service
- Notification Service (SMS/Email OTP)
- E-Signature Provider

8. Authentication & Security

- Authentication: OAuth2.0 with MFA (mobile/email OTP)

- Biometric support: Face ID / Fingerprint for mobile devices
- Data Encryption: AES-256 at rest, TLS 1.3 in transit
- PII Handling: Masking & tokenization in logs

9. Non-Functional Requirements (NFRs)

- Performance: Onboarding process must complete in under 5 minutes
- Availability: 99.9% uptime
- Scalability: Support 100,000 concurrent onboarding sessions
- Compliance: GDPR, CCPA, AML/KYC regulations
- Security: Encrypted databases with role-based access

10. Risks & Mitigations

Risk	Impact	Mitigation
High document upload failures	Users drop-off	Implement retry & multiple file format support
Regulatory non-compliance	Legal fines	Regular compliance audits, vendor certification
Biometric mismatch	Customer frustration	Provide fallback to OTP verification
Identity fraud attempts	Financial risk	Third-party KYC with fraud detection signals

11. Success Metrics

- Onboarding Conversion Rate: ≥ 70%
- Verification Accuracy: ≥ 95%
- Drop-off Rate: ≤ 10%
- Average Completion Time: ≤ 5 minutes

12. Dependencies

- Availability of third-party KYC API providers
- Integration with notification and e-signature vendors
- Compliance review and approval by legal team

13. Timeline & Milestones

- Week 1–2: Requirement gathering & design
- Week 3–4: API integration with KYC provider
- Week 5–6: UI/UX development for onboarding flow
- Week 7: Internal testing
- Week 8: UAT & compliance sign-off
- Week 9: Production rollout

14. Appendix

- Glossary of Terms: KYC, AML, PII
- Reference Standards: FATF KYC guidelines, GDPR, RBI regulations