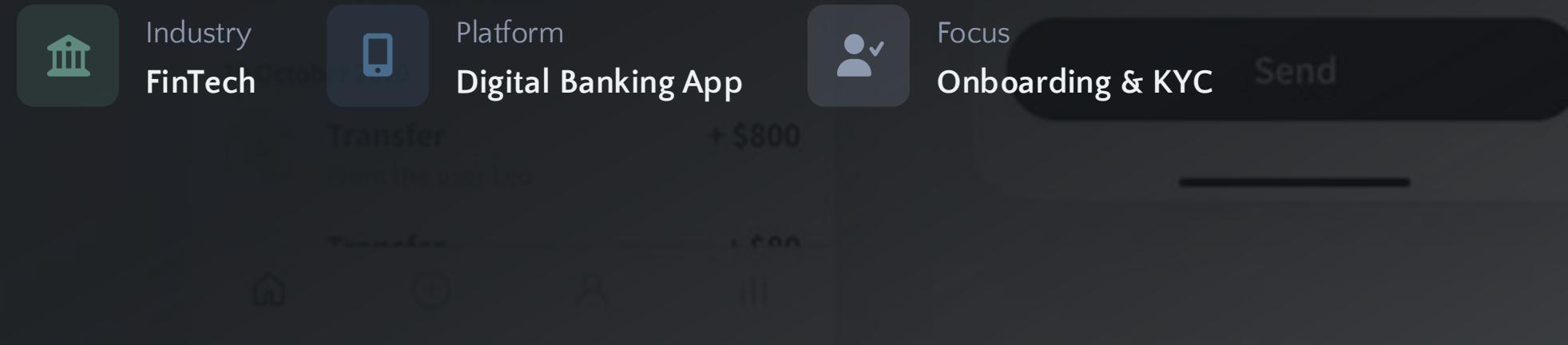


# Improving Digital Banking Onboarding & KYC

# Product/BA Case Study: Regulatory Compliance & User Journey

# Optimization



# Case Study Overview

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01

## Context & Problem

FinTech onboarding challenges: security-heavy KYC/AML, long confusing flows, user drop-offs

02

## Objectives & Constraints

Reduce confusion & drop-offs while maintaining KYC/AML compliance and data protection

03

## Journey Analysis

Mapping current onboarding flow and identifying friction points from external user perspective

04

## UX Improvements

Progress tracking, clearer failure feedback, and in-app status updates within regulatory bounds

05

## Impact & Learnings

Success metrics (5-10% completion increase, 15-20% support reduction), BA skills applied, balancing UX with regulatory constraints

# 01

## Context & Problem Definition

Understanding FinTech onboarding challenges from an external user perspective

# Digital Banking Onboarding Context



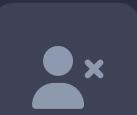
## Digital Banking Landscape

Analyzed leading digital banking apps (Revolut, Monzo, N26) from external user perspective



## Regulatory Complexity

Security- and compliance-heavy processes (KYC/AML) create inherent friction for users



## User Experience Gap

Onboarding is often long and confusing, leading to significant user drop-offs and frustration

## Role & Approach

This case study approaches the problem from a Product/Business Analyst perspective, focusing on balancing user experience improvements with strict regulatory requirements.

### Journey Mapping

Current state analysis from user perspective

### Friction Analysis

Identifying pain points and drop-off moments

### Regulatory Awareness

KYC/AML compliance and constraints

### UX Solutions

Communication and transparency improvements

# User Pain Points in KYC Process



## Lack of Context

Users don't understand **why** certain data/documents are required

**Impact:** Users feel suspicious, abandon process, contact support



## Uncertainty & Delays

Confusion when KYC is "under review" with no clear ETA

**Impact:** Anxiety, repeated support contacts, app abandonment



## Rejection Handling

Rejections (blurry ID, mismatch) without clear guidance

**Impact:** Frustration, multiple attempts, user churn

## Business Impact of Poor Onboarding



### User Drop-offs

High abandonment at each step



### Support Contacts

"Why is my verification pending?"



### Negative First Impression

Poor brand perception



### Competitive Disadvantage

Users choose competitors

# Business Impact of Poor Onboarding

## Onboarding Funnel Drop-offs



**Typical Pattern:** Each step loses 10-20% of users, with major drop-offs at KYC submission

## User Drop-offs

High abandonment rates at each onboarding step, particularly during document submission and verification waiting periods

**Industry Benchmark: 30-40%** overall onboarding abandonment

## KYC-Related Support Tickets

High volume of "Why is my verification pending?" and "What documents do I need?" inquiries

**Typical: 25-35%** of total support volume

## Compliance Overhead

Poor quality submissions create additional manual review work for compliance teams

**Cost: High** manual review and rework

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# 03

## Current Journey Analysis

Mapping friction points from external observation

# Current Onboarding Journey Map

Based on external analysis of typical digital banking apps, the onboarding journey consists of 7 main steps, each presenting opportunities for UX improvements.

1

## App Download & Country Selection

User downloads app, selects country, accepts terms

Low Friction

2

## Phone Number & Email Verification

OTP verification, standard registration process

Low Friction

3

## Personal Details Entry

Name, DOB, address – may require manual typing

Medium Friction

4

## KYC: ID Document + Selfie/Video

Document capture, biometric verification – major drop-off point

High Friction

5

## Address Verification (Sometimes)

Utility bill upload or other proof of address

Variable Friction

6

## Application "Under Review"

Waiting period – highest anxiety and support contacts

High Friction

7

## Account Approved / Rejected

Resolution

# Friction Point Analysis

## i Limited Explanation of Requirements

Each KYC step lacks context about why it's required, leading to user suspicion and abandonment

**Example:** "We need your ID to comply with EU regulations" vs. just requesting document

## ⌚ Vague "Under Review" States

No clear timeframe provided for verification process, causing anxiety and repeated support contacts

**Impact:** Users contact support within hours, check status repeatedly, consider competitors

## ✖ Generic Error Messages on Failure

"Verification failed" without specific reasons or actionable next steps, leading to frustration and churn

**Example:** Should specify "ID photo was blurry" or "Name doesn't match profile"

## Friction Point Summary

Step 3: Personal Details

Medium

Step 4: KYC Submission

High

Step 5: Address Verification

Variable

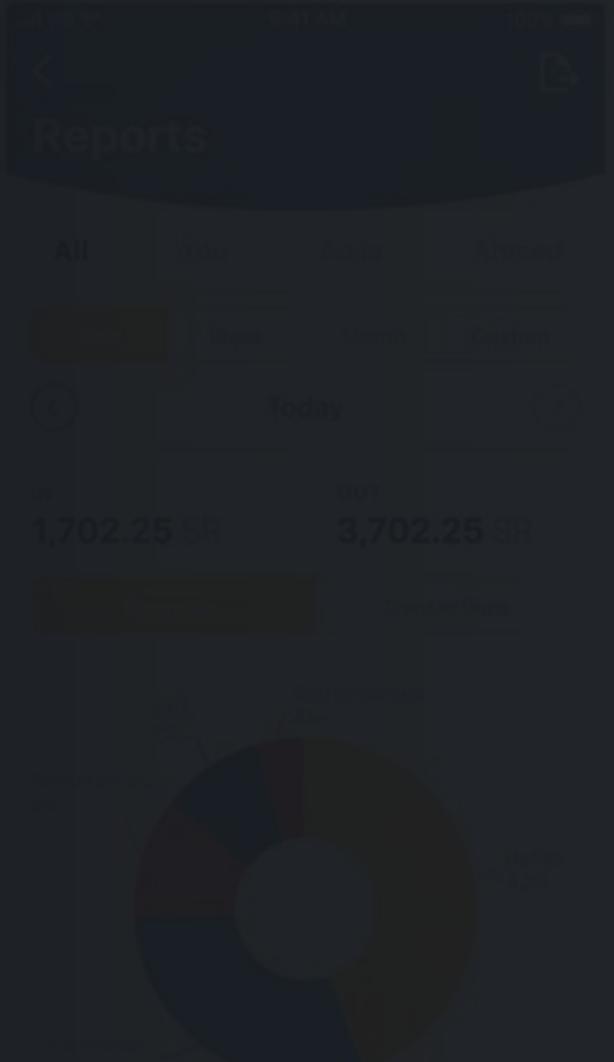
Step 6: Under Review

High

# 04

## Proposed Improvements

UX and communication enhancements within regulatory bounds



# Clearer Progress & Expectations

## Progress Tracker

Add visual progress indicator during onboarding to reduce anxiety and set expectations

- ✓ **Step X of Y:** "Step 2 of 5 - Verify your identity"
- ✓ **Visual Progress:** Progress bar or completion percentage
- ✓ **Context:** Brief explanation of each step's purpose

## Time Expectations

For each KYC step, show estimated completion time to manage user expectations

- ✓ **ID Verification:** "Typically under 5 minutes"
- ✓ **Manual Review:** "Usually 2-24 hours"
- ✓ **Why Needed:** "To comply with EU regulations"

## Sample User Story

As a new user,

I want to see where I am in the onboarding process and how long each step usually takes so that I know what to expect.

## Acceptance Criteria

- 1 Progress tracker shows **current step and remaining steps**
- 2 Each step displays **estimated time** (e.g., "Typically under 5 minutes")
- 3 Regulatory explanations are **legally compliant** but user-friendly
- 4 Progress is **persistently visible** throughout the onboarding flow

# Better KYC Failure Feedback

## Specific Error Messages

Replace generic "Verification failed" with specific, actionable reasons that users can address

### Before (Generic)

- ✗ "Verification failed. Please try again."

### After (Specific)

- ✓ "Your ID photo was too blurry to read."
- ✓ "The name on your ID doesn't match your profile."

## Clear Next Steps

Provide actionable guidance on how to fix the issue and successfully complete verification

### Photo Quality Issues

"Retake your photo in good lighting, ensure all text is clear"

### Name Mismatch

"Update your profile name to exactly match your ID"

### Document Type

"Please use a passport or national ID card"

## Sample User Story

### User Story

As a user whose verification failed, I want to know the specific reason and what to do next so that I can successfully complete onboarding.

### Acceptance Criteria

- ✓ Error messages specify exact issue (blurry photo, name mismatch, etc.)
- ✓ Each error includes actionable next steps
- ✓ Messages are legally compliant and reviewed
- ✓ User can retry immediately with guidance

# In-App Status & Notifications

## Live Status Screen

Replace vague "under review" with detailed status and estimated completion time

- ✓ **Queue Position:** "You're #47 in queue"
- ✓ **ETA Display:** "Estimated: 4-6 hours"
- ✓ **Current Stage:** "Automated checks complete"

## Proactive Notifications

In-app notifications when status changes or additional documents needed

- ✓ **Verification Complete:** Push notification
- ✓ **Additional Docs:** "Please upload proof of address"
- ✓ **Delays:** "High volume - longer than usual"

## Sample User Story

As a user waiting for KYC review,

I want to see a clear status and get notified when it's done so I don't have to contact support.

## Acceptance Criteria

- 1 Status screen shows **detailed progress** (queue position, ETA)
- 2 Push notification sent when **verification is complete**
- 3 In-app notification if **additional documents** are needed
- 4 User can **check status anytime** in app without contacting support

# User Stories & Acceptance Criteria

Translating UX insights into actionable development work through detailed user stories, demonstrating the Product/Business Analyst approach to backlog management within regulatory constraints.

## User Story: Progress Tracking

As a new user, I want to see where I am in the onboarding process and how long each step usually takes so that I know what to expect.

### Acceptance Criteria

- Progress tracker shows current step and remaining steps
- Each step displays estimated time (e.g., "Typically under 5 minutes")
- Regulatory explanations are legally compliant but user-friendly
- Progress is persistently visible throughout flow

## User Story: Failure Feedback

As a user whose verification failed, I want to know the specific reason and what to do next so that I can successfully complete onboarding.

### Acceptance Criteria

- Error messages specify exact issue (blurry photo, name mismatch)
- Each error includes actionable next steps
- Messages are legally compliant and reviewed
- User can retry immediately with guidance

## Regulatory Considerations in User Stories

### Legal Review

All compliance-related copy must be legally vetted before implementation

### Generic Fallbacks

Some messages may need to remain generic if legally required

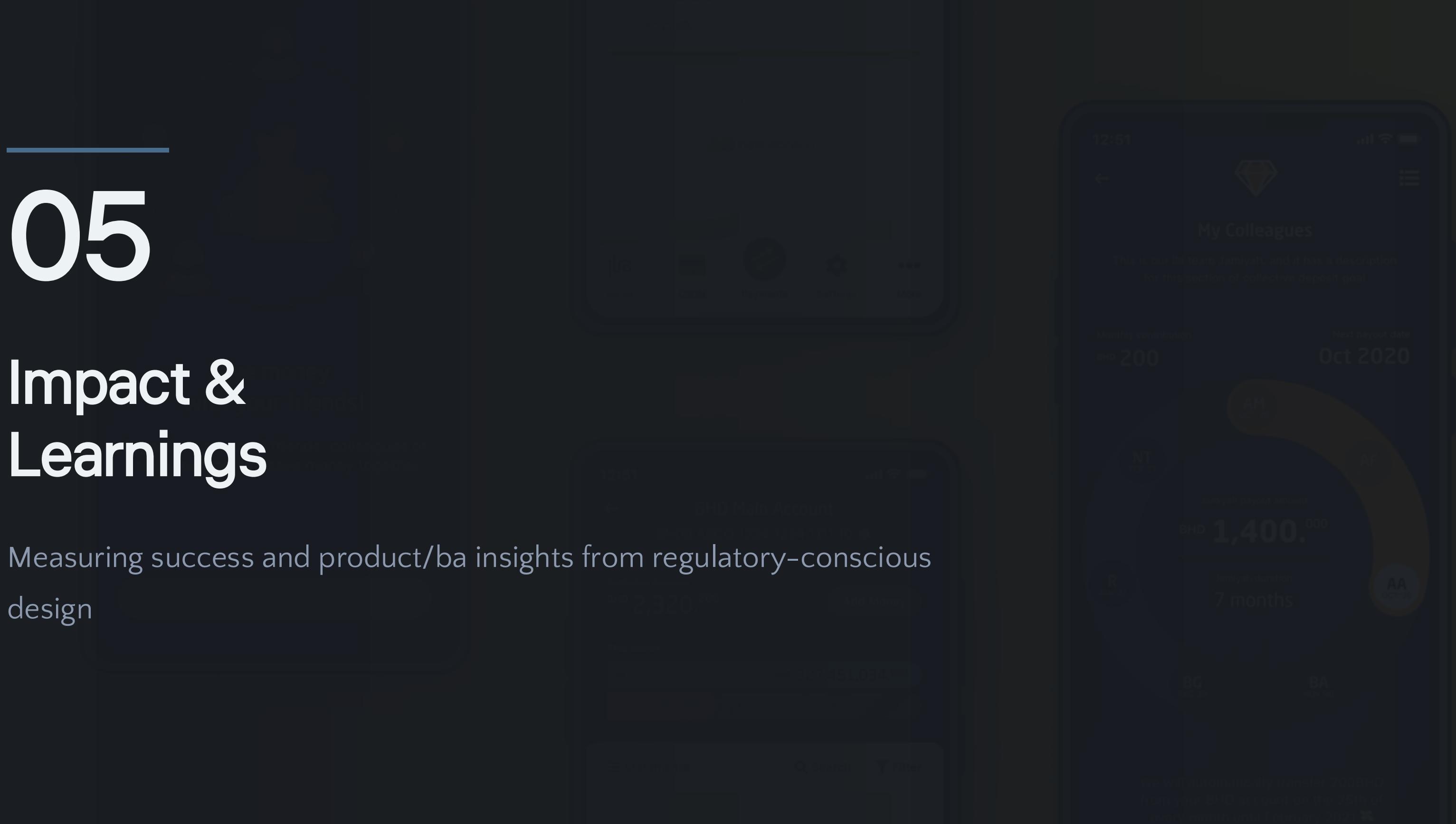
### Data Protection

Privacy-compliant status updates without exposing sensitive information

# 05

## Impact & Learnings

Measuring success and product/ba insights from regulatory-conscious design



# Success Metrics & Targets

## Primary KPIs

Onboarding Completion Rate

+5-10%

From current baseline

KYC Support Tickets

-15-20%

"Why is my verification pending?"

Time to Activation

-25%

From signup to fully verified

## \$ Customer Acquisition Cost

Lower drop-offs reduce cost per acquired customer

## Support Team Efficiency

Reduced KYC tickets free capacity for complex issues

## 🏆 Competitive Advantage

Superior onboarding experience differentiates from competitors

## 🛡️ Compliance Confidence

Better guidance reduces submission errors and rework

## Measurement Framework

### ↳ Onboarding Completion

Track drop-off rates at each step, overall completion from download to approved account

### ⌚ Time Metrics

Time to complete each step, total onboarding time, verification processing time

### 🌐 Support Volume

Number of KYC-related tickets, average handling time, first contact resolution rate

### 😊 User Satisfaction

CSAT for onboarding experience, NPS from recently onboarded users, app store reviews

# Skills & Tools Applied



## User Journey Mapping

Mapped current onboarding flow from external user perspective

- ✓ 7-step journey identification
- ✓ Friction point analysis
- ✓ Drop-off moment identification



## Requirements Writing

Clear problem statements and user stories with regulatory awareness

- ✓ User-centered story format
- ✓ Measurable acceptance criteria
- ✓ Constraint documentation



## Regulatory Awareness

Understanding KYC/AML basics and balancing UX with compliance

- ✓ KYC/AML requirement knowledge
- ✓ GDPR compliance awareness
- ✓ Legal review process understanding

## UX Copy & Communication

Focus on clear, empathetic communication that explains complex processes

- ✓ Plain language for regulatory explanations

## Prioritization & Impact

Translating journey insights into prioritized backlog with measurable outcomes

- ✓ Impact-driven prioritization (5-10% completion target)

# Key Learnings

01

## Balance UX with Regulatory Constraints

How to balance user experience with regulatory constraints by finding creative ways to improve communication and transparency within compliance boundaries.

**Key Insight**

Communication beats simplification

**Application**

Explain why, don't skip steps

02

## Communication Reduces Support Load

How better communication and status updates reduce support load by proactively addressing user anxiety and providing self-service information.

**Key Insight**

Anxiety drives support contacts

**Application**

ETA reduces "where's my verification?"

03

## Journey to Prioritized Backlog

How to translate a user journey into a prioritized backlog by identifying high-impact friction points, defining measurable targets, and creating actionable user stories.

**Key Insight**

Journey maps reveal priorities

**Application**

Focus on 3 high-friction steps

# Product/Business Analyst Impact

How user-centered analysis within regulatory constraints creates  
FinTech competitive advantage

## 5-10% Onboarding Completion Increase

Through progress transparency and clearer guidance

## 15-20% KYC Support Reduction

Proactive status updates eliminate uncertainty

## Regulatory Compliance Maintained

Better UX within legal constraints, not by bypassing them