



Digital Deposit Accounts

The Gateway to Lifelong Relationships

Key takeaways

Banks need to meet consumers where they are — whether that's online or in branch — and usher them through the entire customer journey: from engagement to qualification to fulfillment, activation, and utilization, in a way that's uninterrupted, digital, and simple.

Providing a path of least resistance for consumers at every stage of the process is crucial to maximizing account funding.

This e-book explores how digital deposit accounts can help financial Institutions deepen customer relationships and gain primary depository institutions status by:

- Establishing a relationship built on trust and proven care for their financial well-being
- Cross-selling products with higher conversion rates by accessing rich data
- Reducing interruptions in the customer journey and offering a seamless digital and in branch application experience

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“Regarding younger customers, the nation’s largest retail banks are missing the mark on branch service, new customer onboarding, and resolving customer complaints. As a result, we’re seeing young, well-educated, high-income customers driving a steady decrease in customer satisfaction.”

5 questions to ascertain PFI status

Gaining PFI status with customers is a clear opportunity for financial institutions and worthy of investment. In the U.S., the average marriage lasts eight years while the average relationship consumers have with their PFI lasts 10 years. It is nearly impossible to understate the importance of a relationship that lasts longer than the average American marriage.

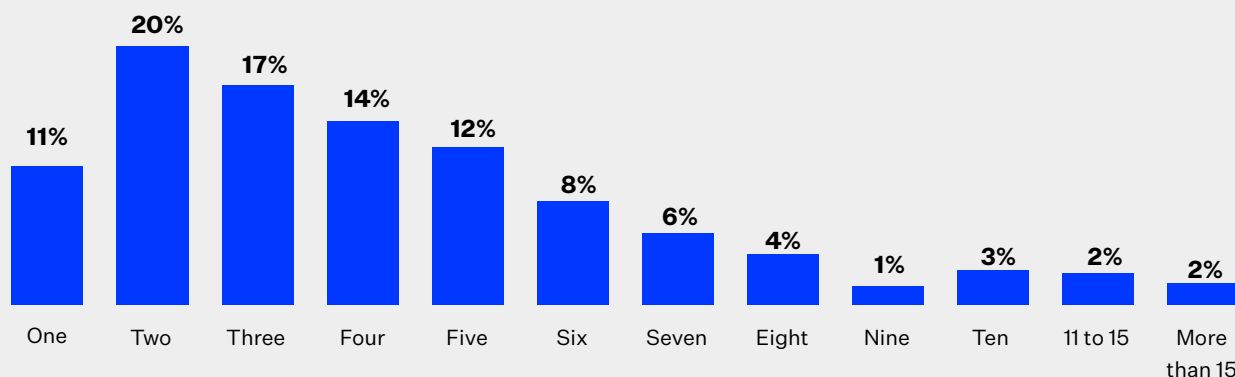
Source: Aite report: The Primary Financial Relationship

And there's no significant difference across national banks, regional banks, credit unions, and community banks — all keep customers just as long.

However, most consumers have relationships with numerous institutions. The average banked U.S. consumer has 14 accounts held across 4.4 financial service providers, including credit card companies, person-to-person

(P2P) providers, and buy now, pay later (BNPL) services. That said, achieving primary financial institution status is possible with the correct strategy.

Q: With how many companies do you have financial relationships? (e.g., banks, brokerages, credit card companies, P2P services, BNPL)



(Base: 2,006 U.S. consumers with a financial institution relationship)

PFI status is a relationship built on trust. And trustworthy relationships require **transparency, empathetic banking, and proven care for the financial well-being of the customer** — customers need to feel their financial provider has their best interests in mind and will do “what’s best for me.” Delivering that level of consistent service can be difficult. And it can mean very different things to different consumers and institutions. In fact, we’re starting to see a generational shift in the definition of primary bank:

“My primary bank is where I hold my primary checking account.”

60%

Baby Boomers

34%

Gen Z

“My primary bank is the company I trust to give the best advice”

7%

Baby Boomers

26%

Gen Z

Source: [PwC's 2021 Digital Banking Consumer Survey](#)

Five questions to determine PFI status

So how can banks **determine if you have primary status with your customers?** To help answer this, we’ve identified a short series of questions to ask yourself that can ascertain your status with a customer.

- Do you hold their checking account?**
- Are you top of wallet with their debit card?**
- Are they receiving direct deposit payments at your account?**
- Does your customer utilize your bill pay services?**
- Does your customer manage their finances with your online banking platform?**

If you answered no to any of the questions, unfortunately, your institution is not this customer’s primary financial services provider. But don’t worry, we’ll soon dive into the pathways and solutions that can get you there.

“We have to fight hard to make sure members have put our Elements cards in their Amazon, PayPal and Apple or Android Pay apps. We know that once a card goes in — especially as the default payment method — it generally stays there.”

Gateway to lifelong relationships

From a consumer perspective, there is no difference between their “primary provider” and the financial institution that holds their “checking account.”

Consumers consider their checking account holder to be their primary provider.

Deposit accounts are the foundation of primary financial institution status and the gateway to lifelong relationships. **If you don’t have the checking account, you don’t have the direct deposit, you do not have top-of-wallet status, and you do not have PFI status.**

Furthermore, without the checking account, banks simply don’t have customer data: income through direct deposit, recurring expenses, average balance, etc. But when they do, banks can provide extremely relevant offers in advance of customer requests. Cross-selling products can be much simpler and yield higher conversions.

This level of service delivers real value, deepens relationships, and contributes toward the overall financial wellness of their customers.

Simply put, **proactivity is a rising pillar of differentiation.** But it starts with rich data.

To get that data, you need the deposit account. And to get that deposit account — from application and conversion to activation and utilization — you need to guide your consumer along a pathway that’s fraught with pitfalls, barriers, and stumbling blocks.

What financial products do consumers hold with their primary provider?



96%

checking account



80%

savings or money market accounts



57%

credit card



48%

personal loans

With a primary checking account customer, banks are:

37%

more likely to gain future deposits

17%

more likely to gain future loans

10%

more likely to gain referrals

Conversion pathways and activation barriers

Source: [How Are Banks Feeling About 2023? Workweek](#)

Noteworthy insights on mobile from top financial institutions in 2022:

49.7 million

J.P. Morgan's active mobile customers, up 9%

6.6 billion

Wells Fargo mobile logins from 28.3 million mobile active customers, up 4%

25 million

CitiBank's active digital users, up 6%

18 million

CitiBank's active mobile users, up 10%

While a deposit account is the key to unlocking PFI status with your customers, the process of converting and activating a new deposit account customer is fraught with obstacles. This is not a situation of “if you build it, they will come.” Banks need a product that speaks to the nuances of different customer journeys and consumer expectations.

The straightest path to deposit account conversion is a road paved with flexible, digital technology. Without this smooth, streamlined roadway, customer engagement will wane or drop off altogether. As soon as the consumer's engagement is broken, you've lost them.

According to a [report from PwC in 2021](#), **21% of surveyed consumers would prefer to open a new deposit account digitally but are unable to do so.**

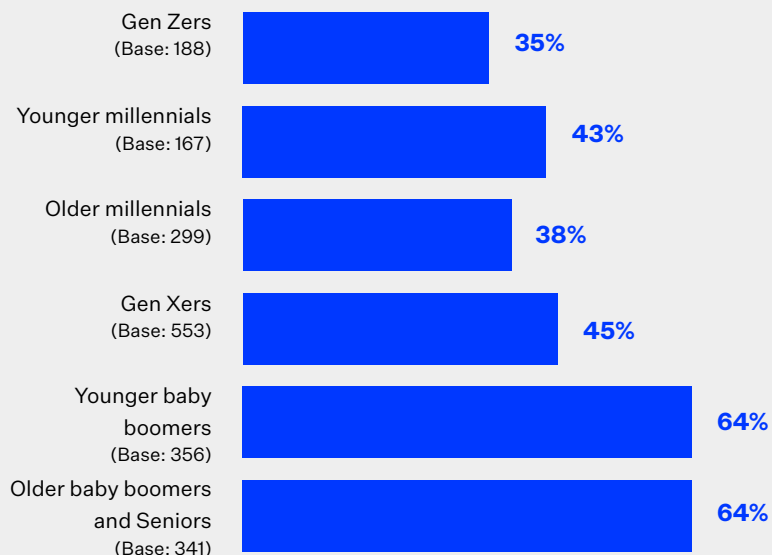
Instead, they are directed to visit a banking branch. Needless to say, many customers are going to abandon the new account process when forced to visit a branch. This “digital gap” needs to be bridged.

The customer journey cannot be interrupted. **Ultimately, interrupted consumer experience is the cause of diminished consumer engagement:** manual intervention, aging technologies, and time-consuming requests of the consumer. Friction in the customer journey — wherever it may happen — can ruin your opportunity at PFI status.

Key components of new deposit account activation:

- Account funding
- Online banking and mobile app setup
- Direct deposit switching
- Bill pay debit card payment switching
- Virtual card provisioning and mobile wallet setup
- Bridge funding and line of credit

Consumers who selected “convenient branch locations” as the reason their PFI is the one they use to manage day-to-day finances.



And the importance of uninterrupted engagement and a seamless customer journey does not lessen after the conversion or even onboarding. Providing a path of least resistance for consumers at every stage of the process is crucial, and perhaps most important when it comes to activation. **Slow account utilization is the antithesis of top-of-wallet status.**

For today’s modern consumers, enrollment alone is not enough to win their PFI status. How can banks deepen engagement and build trust? If consumers are eschewing branches — and they are: 32% of surveyed “digital native” respondents avoid banking branches, up from 26%

in early 2020 — where can banks engage their customers? How can banks deliver an uninterrupted experience outside the branch?

In a word: mobile. Nearly two-thirds (65.3%) of the U.S. population uses digital banking services, a 4% increase since 2018. Of millennials, almost 80% reported using digital banking in 2022. And 27% of Americans use an online-only bank. This shift — digital migration in banking — may be happening even faster than reported.

Banks need to meet consumers where they are — which is increasingly on mobile — and usher them through the entire customer journey: from

engagement to qualification to fulfillment, activation, and utilization. And this journey should absolutely be uninterrupted, digital, and simple.

Banking made simple

Delivering a deposit account customer experience that meets expectations — simple, digital, uninterrupted — is easier said than done. Consumer expectations of financial providers are now shaped by their larger tech-driven experiences, from Amazon to Netflix and just about everything in between.

Onboarding alone isn't enough. And the customer experience cannot be interrupted. Banks need to deliver through activation and utilization, which is not happening at the branch level. It's not an easy process, but Blend's

simple and streamlined deposit accounts product can help.

Blend Deposit Accounts is built to solve for the obstacles in the customer journey. At every step of the process, with each challenge, Blend Deposit Accounts can help deepen engagement, drive growth, and get you to PFI status, faster.

Blend Deposit Accounts — as part of our single, unified platform — delivers a best-in-class consumer experience that deepens engagement and cultivates lifelong relationships.

Kick-start a new relationship with a first impression that lasts. Achieve top-of-wallet status with a deposit accounts product that is fast, secure, and fully integrated. Gain primary financial institution status, faster.

Common challenges of today's financial institutions and deposit accounts

Barriers for new account customers

With Blend's next-level self-serve capabilities, consumers can complete a deposit account application in a single session — that's speed and convenience that clears any barriers or inertia a new customer may have when looking to switch banks.

Low conversion and application abandonment

Blend's integration marketplace and partnership ecosystem include identity verification integrations through a single platform that resolves any fallout from identity verification and fraud prevention processes.

Cross-sell offers not resonating

Deposit accounts are just the beginning. Blend Decision Engine powers configurable cross-sell solutions across all consumer banking products, delivering offers at the moment of engagement to strengthen relationships and build trust.

Not top-of-wallet or low utilization

Blend provides advanced workflow management with end-to-end fulfillment for an omnichannel experience in branch, on the phone, and online, including instant funding, switch kit, virtual card provisioning, online banking and mobile app setup.

About Blend

Blend is the infrastructure powering the future of banking. Financial providers — from large banks, fintechs, and credit unions to community and independent mortgage banks — use Blend's platform to transform banking experiences for their customers. Blend powers billions of dollars in financial transactions every day.

To learn more, visit blend.com.