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Starter for ten
Considerations for your digital banking project

Delivering a successful project will come down to good planning and strategic thinking. Digital projects are no exception. What are the key points to consider at development stage? We highlight our top ten below, from both a legal and commercial perspective.

1 Set out clearly the scope behind the solution

Is it a new product, a replacement product or the digitisation of a current product? Which customers will it be aimed at? Can it be provided to both retail and corporate customers? Getting this right at the start is essential, as it will allow an appropriate consideration of the other points set out below, making a successful project more likely.

2 Put the right team in place

No team is an island and problems are likely to arise in digital projects when the correct stakeholders are not involved from the start. For example, regulatory compliance issues should be investigated at the outset, as remediation can prove costly where only highlighted at the launch of the solution. The ideal team is likely to include people from your Product, Digital, Procurement, Compliance, Security/ Cyber Crime and Legal teams.

Eve England discussed this at our recent conference. **View the slides here.**

3 Produce a project plan and budget at the outset

As with any IT project there is a good risk of the project being delivered late and over budget. This is a particular risk with digital projects where there may be great time pressures on delivering the technology first before your competitors.

4 Capture the project's technology requirements

It is likely new software codes will need to be written, but what else may be needed? Does the project require new user technology to be developed? There has been significant adoption of contactless and wearable technology in the financial services industry over recent months and smartphones, watches and wristbands are now all being used by consumers to access financial services. Keeping ahead of the trend will allow you to remain competitive in an increasingly crowded market.

5 Enable the new technology to be developed

Will any new technology be provided by your internal development team? Will the technology development be outsourced? Are any third party licences needed? Can development be done under an existing master framework agreement? Consider the use of a tender process and contracting with a Fintech business or with an established IT provider. An Agile software contract may provide greater flexibility and speed to match the advancement in technology, but may require a greater focus on how cost budgets can be managed and controlled.

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6 | Consider privacy and use of customer data

How will you wish to use any personal data acquired through the use of the new solution? Will existing personal data be used to market the solution? Are you going to adopt or use any APIs (application programming interfaces)?

Paula Barrett discussed this at our recent conference. **View the slides here.**

Consider whether the new solution may increase the risk of Cyber Crime in any way.

Polly Sprenger discussed this at our recent conference. **View the slides here.**

7 | Look at the applicable regulatory framework

What pre-contract information might be needed? Are there any formalities required by regulation that may apply such as the Consumer Credit Act or the Payment Services Regulations? Consider where formal legal requirements such as "durable medium" may be required, how the contract terms can be accepted by the customer and the use of electronic signatures to signify execution of the contract.

Clare Hughes discussed this at our recent conference. **View the slides here.**

8 | Plan marketing solutions

Consider how social media will be used. Check compliance with the FCA's finalised guidance in this area. Consider the use of competitions and prize draws to promote the new solution, whilst avoiding the possibility of illegal lotteries.

9 | Put the customer first

Try out the proposed customer journey and look at how technology such as videos, infographics and even video games can be utilised to help the customer understand the new solution and its key features, together with emphasising what the key contract terms are. Put yourself in the customer's position and consider that however impressive the technology is, it is unlikely to become popular if it is difficult to use or it takes too much time to function and load. The functionality across different operating systems and devices should also be taken into account.

10 | Have fun!

Before the adoption of the smartphone, new financial services products were rare and involved a cumbersome combination of detailed customer application forms and brochures, lengthy disclaimer notices and the use of fountain pens! The popularity of digital banking means that everyone in the sector is embracing technology and innovation is being sought after and rewarded. Behind every great digital product there is a simple idea…

Legal advice on digital banking

Digitisation is dominating the products and distribution agenda for banks and other financial institutions. Internet banking and mobile banking are the norm and innovative products continue to hit the market. Technology and financial services are entwined, but the regulatory environment brings additional complexities. With the pace of change set to accelerate still further, Eversheds' market leading team of specialists can help you navigate the legal issues and challenges presented by a digital offering, including those issues relating to payment services, data privacy, regulatory compliance and social media.

Get in touch

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