

Tightening controls to protect the customer

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Compliance requirements imposed by banks often feel like an administrative and procedural cross that corporates must bear. However, behind these requirements lie various rules from different supervisory authorities binding banks to move in a particular direction. La Lettre du Trésorier, the publication of the French Association of Corporate Treasurers (AFTE) met Gautier Mouzelard, Head of Transformation Programs at BNP Paribas Cash Management, to discuss why and how, even in areas like compliance and control, there is room for creativity and innovation while still serving the interests of the customer.

LdT: Gautier Mouzelard, we are experiencing a period of increased controls. How do you explain this trend? What is the reason behind it?

GM: We live and work in a changing world, with a specific geopolitical context, complex international relations and high-impact events. These require us to strengthen controls, particularly in the financial world. As you might expect, the severity of the potential penalties helps to change the way in which institutions perceive controls. We have overhauled our approach to the matter.

LdT: What is the objective of these controls?

GM: Above all, the aim is to provide customers with the appropriate protection for the intensity of the financial flows that concern them. The controls are also designed to protect the bank. The risks connected to these flows are highly diverse. To name a few, they include funding terrorist activities, money laundering and the violation of current embargoes. Constant vigilance is essential to protect against these kinds of risks.

LdT: What does intensifying controls mean in real terms? How is it manifested in your working methods and in results?

GM: Concretely, in our current approach, controls are based on more in-depth investigations, particularly for payment flows. To avoid affecting our customers, the bank's Cash Management department works with the compliance department and companies to make controls as instantaneous as possible. This is achievable through optimum use of our filtering systems and the available customer data. In short, we are constantly improving, for them and with them.

"These controls are not an imposition on customers, they are a necessity, even for those who have not expressed this need. It's down to us to make them painless, and increasingly smooth and transparent."

LdT: Technically, what does this evolution involve?

GM: Via an ambitious plan, we have invested and continue to invest in numerous initiatives making good use of innovative tools such as robotisation, the digitisation of our processes, and better calibration of our controls. The end goal of each initiative is to maintain the highest quality controls, whilst investing to make them faster and smoother.

LdT: How are you making this digital shift?

GM: For 18 months, we have been working to create highly sophisticated digital tools, internally and for our customers. An important turn was the use of the Agile method, allowing us to meet companies' needs faster.

In particular, through this Agile method we have developed a digital tool, Inquiro, to facilitate the exchange of information between the bank and its customers. The tool is based particularly on instant notifications and increased transparency for flows subject to an investigation. It took less than 5 months to develop Inquiro and set up the internal process, which is close to FinTech reaction times. This is a remarkable achievement both in terms of project management and the contribution of our IT teams, especially given the size of the ecosystem in a company like BNP Paribas.

LdT: How have your customers responded to this tool?

GM: Inquiro has been quickly and widely adopted, because of the added value it provides. We worked on this co-creation project with our customers, to ensure that the result would meet their needs as much as possible, all in just a few months. This collaboration has yielded true "win-win" results, because the functionalities of the final tool are perfectly calibrated to expressed needs, and the tool will be more easily adopted by a broad panel of business customers. Moreover, customers who have participated from the start of the project receive a finished application which is directly adapted to their needs: ample reward for the time they have invested in the shared reflection process.

LdT: Will co-creation with customers now become a systematic step?

GM: This principle of collaboration right from the start of the design process is appealing for both parties. "We have a concept, you have a need. Let's work together to get the best result for everyone." What's more, it was very easy to find willing customers to participate in co-creation, as each party quickly understood the benefits they would gain from it. So when it comes to regulatory tools, yes, we want to systematise collaboration with customers starting from the design phase.

LdT: What is your message to those who see this tightening of controls as an

additional constraint?

GM: These controls are not an imposition on customers, they are a necessity, even for those who have not expressed this need. It's down to us to make them painless, and increasingly smooth and transparent.

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The original interview of Gautier Mouzelard was published in French in the "La Lettre du Trésorier", in November 2017.

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