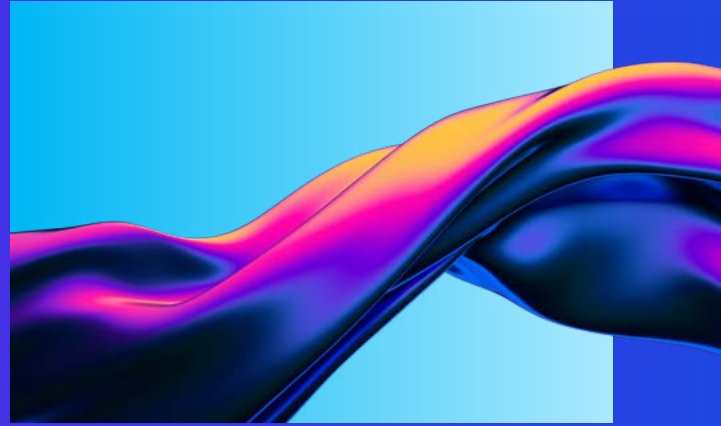





Transforming dispute and fraud operations

KPMG helps banks improve customer service, reduce costs, and enhance compliance



Disputes and fraud claims from credit cards, debit cards and online and mobile payments at financial services institutions are at all-time highs and rising—along with customer frustrations. Consumer complaints about fraud resolution have skyrocketed. The Consumer Financial Protection Bureau logged 787,000 consumer complaints in 2022.¹ The Federal Trade Commission (FTC) reported 1.1 million reports of identity theft in 2022 and recent FTC data shows that consumers reported losing nearly \$8.8 billion to scams in 2022, an increase of more than 30 percent over 2021.²

The high volume of disputes and frauds is driven largely by the dramatic increase in digital and contactless payment options that became popular during the pandemic. KPMG LLP banking clients report having a hard time keeping up due to:

-  High manual processing
-  Insufficient transparency for customers
-  Poor automated workflow and case assignments
-  Limited digital intake or self-service channels
-  Lack of visibility on status between call centers and claims departments

Meanwhile, compliance pressure is intense. Regulators, state attorneys general, and members of Congress are paying close attention to how companies handle consumer and investor disputes, complaints, and claims and how they are resolved.

Help is at hand

Revamping the dispute-resolution process can help banks reduce a major pain point with their customers and also drive down costs and enhance compliance. Using low-code workflow automation, KPMG has developed a dispute and claims solution that leverages a leading digital platform to transform fraud operations. Working closely with our clients, we have helped them:

- Automate 20 to 30 percent of previously manual processes
- Achieve 50 to 60 percent straight-through (electronic) claims processing
- Reduce fraud losses by 20 to 30 percent
- Gain more than \$20 million in operating expense savings

While modernizing the dispute-resolution process can be a big win for banks, it is equally important for bank customers. KPMG consumer research shows that 90 percent of consumers regard resolution as their most important customer service issue.³ A customer-driven resolution process can improve loyalty and customer satisfaction scores.

How the KPMG dispute management digital accelerator works

Leveraging our tailored framework of prebuilt low-code accelerators, agile development processes, and deep domain experience, we can expedite disputes and claims transformation and unlock value faster.

Our four-step approach follows the find-frame-fix framework. In the find stage, we use process mining to collect dispute and fraud data and review analytics on process gaps. Then we frame a business case and roadmap before we fix the problem with Appian low-code automation and changes to policies and procedures.

¹ Consumer Response Annual Report, Consumer Financial Protection Bureau, March 2023.

² “New FTC Data Show Consumers Reported Losing Nearly \$8.8 Billion to Scams in 2022,” Federal Trade Commission, Feb. 23, 2023.

³ Customer experience in the new reality, KPMG, 2020.

Discovery

- Design future-state processes
- Analyze processes and translate requirements
- Define user journey and personas
- Define automation, data, and integration requirements

Sprint development

- Interactively build and test the solution
- Construct user interfaces
- Conduct unit and sprint integration testing

Requirements/design (Sprint 0)

- Design user stories and wireframes
- Validate technical design for solutions
- Review updates with stakeholders

Hardening/Deploy

- Support system integration testing
- Support definition and execution of UAT test scripts
- Manage defect resolution and test execution
- Deploy to production environment

As an Appian Elite Partner, KPMG has been recognized with the Global Partner Transformation Award, the highest Appian partner award, for the last six years for outstanding results in global strategic program delivery on the Appian Platform.

Key considerations to get started

To help ensure that banks reap the full benefits of dispute and claim transformation, clients should ask themselves these critical questions:

- Is it challenging to keep up with the volume of disputes and fraud claims?
- Is the current system antiquated? Are processes and controls mostly manual?
- Would a single point of access result in faster claim time-to-resolution and significant improvement in customer and agent experience?
- Would improved access to the claims lifecycle and ability to proactively manage bottlenecks further reduce time to resolution?
- Are current investigation and resolution processes slow and opaque to the customer and creating friction?

Financial services institutions can unlock new levels of customer satisfaction, cost effectiveness, and compliance with transformed dispute and fraud operations from KPMG and Appian.

Achieving success with KPMG and Appian

KPMG works with Appian to provide intelligent automation solutions and a wide range of integrated services offerings to advance banks' digital transformation.

Appian's low-code development platform accelerates the creation of high-impact business applications, is built in the cloud or on premise, and is inherently mobile enabled. The platform can be used to write new apps from scratch, or to connect and enhance legacy applications already in place, without the need for data migration.

KPMG and Appian recently teamed on the following dispute-resolution engagement.

- A large US bank** had an outdated platform used to manage its ACH disputes and fraud claims. Processes were highly manual, and their legacy disputes platform couldn't scale to handle increased volumes efficiently. KPMG and Appian developed and implemented a low-code solution that:
 - Automated compliance and controls with a digitized workflow that tracks and reports disputes and claims, significantly improving quality by reducing human error
 - Eliminated 85 percent of disputed manual transactions entered in Fiserv within the previous 60 days
 - Streamlined and automated customer communication to improve the customer experience
 - Eliminated one day of process time by enabling same-day processing
 - Saved nearly 4,000 hours annually by reducing human intervention and data entry

Connect with one of our team members to learn more.

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