

STRATEGIC ADVISORY BRIEF · CONFIDENTIAL  
FINANCIAL SERVICES

---

# The Customer *Intelligence* Imperative

Why deeper customer understanding is the foundation  
of effective financial services transformation

---

**AUTHOR**

**Dan Collins**

Founder & Managing Partner  
Global Chief Transformation Officer  
CNBC International Commentator

# Executive Summary

Enterprise-level Customer-Led Transformation (CLT) has moved from a competitive differentiator to an existential imperative for financial services organisations. The data is unambiguous: institutions that lead in customer-led transformations grow revenues up to 15% faster, reduce costs by 15–20%, and retain customers at dramatically higher rates. Those that lag face accelerating customer attrition, regulatory scrutiny, and structural disadvantage against nimble fintech competitors.

This briefing is written for senior executives across financial services — including retail and business banking, insurance, wealth management, investment banking, and asset management — who recognise that the customer gap within their institutions is widening, not closing. It updates and expands earlier analysis with 2024–2025 data, emerging AI-driven opportunities, and an honest assessment of where most large financial services organisations continue to fall short.

## Key Facts at a Glance

**3.5x**

Faster growth for FS organisations aligning brand experience with CX (Forrester 2025)

**82%**

Cite customer-led process as the leading driver of loyalty

**15–20%**

Cost reduction achievable alongside 10–15% revenue growth (McKinsey)

**56%**

Of dissatisfied customers silently switch without complaining

**91%**

Cite digital capabilities as crucial in FS provider selection

**\$3.70**

Average return per \$1 invested in CX programmes

**The business case is compelling. The barriers to execution are real. This brief outlines both.**

# 1. The Competitive Landscape

## Why Customer-Led Transformation is Now a Board-Level Issue

### Trust Remains Fragile

The scandals, IT failures, and conduct issues that damaged financial services reputations in the 2010s have not been forgotten. Trust in financial institutions, though partially recovered, remains structurally fragile. An institution's reputation is now built — and lost — in real time, across social media, review platforms, and the lived experience of millions of customers. The public tolerance for system outages, opaque fees, or slow account opening processes has not increased; if anything, benchmarks set by technology companies have raised expectations dramatically.

Legacy financial services organisations are no longer compared only against each other. Customers now measure their experience against Amazon, Apple Pay, and the digital challenger that opened their account or policy in three minutes from a mobile phone. The standard has fundamentally shifted.

### The Fintech and Digital Challenger Threat Has Matured

When early editions of this analysis were written, challenger firms were a nascent threat. By 2025, the landscape has transformed materially. According to RFI Global's survey of 4,000 UK consumers conducted in late 2024, digital-only financial providers — including Monzo, Starling, Revolut, Klarna, and digital insurers and wealth platforms — now reach 50% of UK adults, up from just 16% in 2018. Globally, mobile financial services users have reached 3.6 billion. Consumers holding their primary financial relationship with a digital challenger rose sharply between 2020 and 2024, while established institutions' share of primary relationships has declined across banking, insurance, and investment services.

These challengers have captured customers not by offering superior rates or returns, but by delivering frictionless, transparent, and genuinely customer-centric experiences. They have also matured beyond their original niches — now offering mortgages, business accounts, insurance products, investment and wealth services — directly competing on the product lines that generate the most revenue for traditional financial services firms. The window for established institutions to respond by improving customer relationships is narrowing.

"When firms align their brand promise with the experiences they deliver, they are better positioned to win and serve customers — unlocking up to 3.5x revenue growth and significantly boosting customer loyalty."

— Forrester Total Experience Score Research, 2025

### The Regulatory Environment Has Tightened

Regulatory expectations around consumer outcomes, complaints handling, and product transparency have intensified globally. In the UK, the FCA's **Consumer Duty** — fully in force since July 2023 and now embedded as a priority under the FCA's 2025–2030 Strategy — places a direct obligation on all FCA-regulated firms to deliver good outcomes across four areas: products and services, price and value, consumer understanding, and consumer support. The FCA's 2025/26 supervisory programme includes multi-firm reviews of how firms are embedding the Duty, particularly around outcomes monitoring, product

design, customer journey friction, and the effectiveness of communications.

This is not just a compliance exercise. Consumer Duty effectively mandates a customer-led-first approach, requiring boards to evidence that customer outcomes are being actively monitored and improved. Financial services organisations that treat Customer-Led Transformation as a marketing function rather than an operational and governance priority now face regulatory risk as well as commercial risk.

## 2. The Financial Case for CLT Investment

---

### Revenue Impact

The link between customer relationship quality and revenue growth is now extensively documented. Forrester's CX Index research established that Customer-led transformation leaders achieve dramatically higher revenue growth than laggards — a pattern that has strengthened as digital-native competitors have raised the stakes.

Forrester's 2025 global CX Index analysis, covering over 275,000 customers across 469 brands in 13 countries, confirms that CX quality continues to correlate directly with customer loyalty outcomes and revenue retention — while also finding that US financial services CX scores have declined for the fourth consecutive year, widening the gap between leaders and the broader field.

Bain & Company's 2023 Customer Behaviour and Loyalty in Financial Services report, based on a survey of nearly 30,000 global consumers across 11 countries, found that even slight friction in a financial institution's digital sales process degrades consumers' perceptions of the overall relationship, prompting many to switch. McKinsey's research across financial services confirms that satisfied customers are seven times more likely to deepen their financial relationship and twice as likely to take additional products with institutions they rate as excellent.

HBR research is particularly striking for financial services: customers with the best experiences spent 140% more than those with the poorest. For subscription-like relationship models, customers rating their experience at the highest level had a 74% likelihood of remaining active one year later, versus just 43% for those at the lowest rating. That is a structural gap in customer lifetime value.

### Cost Reduction

The cost-reduction case is frequently underestimated. McKinsey analysis finds that brands improving their customer-led transformations can reduce costs by 15–20% — primarily through reductions in complaints handling, manual intervention, and rework. The retention economics are equally compelling: Bain & Company's research has consistently found that a 5% increase in customer retention rates can increase profits by 25% to 95%.

AI-enabled process improvements add further dimension. Financial services organisations implementing AI across customer service report 14% agent productivity gains, 50% reductions in onboarding time, and fraud detection accuracy exceeding 90%. McKinsey's Global Banking Annual Review 2025 finds AI — and particularly agentic AI — could bring gross cost reductions of up to 70% in certain operational categories, with a projected **net reduction of 15–20%** across the total cost base as technology investment costs are factored in.

### The ROI of CLT Investment

Research across multiple 2024–25 studies finds an average return of **\$3.70 for every \$1 invested** in customer experience programmes, with top performers achieving up to \$10.30 per dollar. A Forrester study found modelled customers achieving 210% ROI over three years from AI-assisted customer-led transformation implementations, with payback periods under six months. The gap between early movers and the rest of the field is widening. The window for capturing first-mover advantage in AI-assisted

customer transformation is not unlimited.

## Measuring What Matters: Beyond NPS

Surprisingly, only 14% of companies in recent surveys measured the ROI of CX activities at all. Most measured customer satisfaction (using NPS or similar) without connecting those scores to financial outcomes. This represents a significant governance gap. NPS, while useful as one indicator, provides an incomplete picture: it does not measure actual customer behaviour, cannot distinguish between a score of 0 and 6, and is vulnerable to systemic gaming.

More importantly, a high NPS score is no guarantee of commercial success — it does not tell you why customers are leaving, what they intend to spend, or whether your operational improvements are generating measurable return. Boards and executive teams should insist on a richer CX measurement framework: one that links satisfaction data to behavioural metrics (churn, product adoption, wallet share), then to financial outcomes (revenue per customer, cost to serve, customer lifetime value).

## 3. What Customers Expect in 2026

### Digital as Default

The shift to digital financial services has accelerated beyond projections made just five years ago. In the UK, 87% of adults now use online banking, and digital channels have become the primary interface for insurance, wealth, and investment services. Globally, 77% of financial services interactions now occur through digital channels, with 58% of millennials managing their finances on mobile apps daily. In this environment, 95% of financial services firms cite mobile as their top investment priority.

Yet the digital experience delivered by most large financial services organisations remains significantly inferior to what customers receive from technology companies. Only 11% of financial services leaders believe they replicate in-person service excellence online. That gap represents both risk and opportunity.

### Personalisation at Scale

Personalisation has moved from a differentiator to an expectation. McKinsey research finds that 71% of consumers now expect personalised experiences from their financial services providers, and 76% express frustration when personalisation is lacking. A further 62% say they prefer personalised recommendations over generic ones.

The data infrastructure for personalisation exists in every large financial services organisation. Institutions hold extraordinary depth of customer data — spending patterns, life events, income flows, product and policy holdings, investment profiles — that most are dramatically underutilising. Firms that build the capability to translate this data into relevant, timely interactions will build the loyalty that generic communication cannot.

#### Proof Point: Bank of America's Erica

Since its launch in 2018, Erica has surpassed **3 billion client interactions** by August 2025 — averaging more than 58 million per month — with approximately 20 million active users annually, having assisted nearly 50 million users in total. The system uses NLP across more than 700 response patterns and has undergone over 75,000 updates since launch. Bank of America has been recognised as the top US consumer bank for AI usage by Global Finance magazine. Comparable capabilities are emerging across insurance, wealth management, and business banking, though deployment depth varies significantly across institutions.

### Seamless Omnichannel Experience

Customers expect to begin a transaction on one channel and complete it on another without repetition or friction. Over 62% of financial services clients want smooth transitions between channels. Forty percent state they will not do business with a financial services provider that does not offer their preferred communication channel. Yet the reality in most large institutions is siloed operations producing inconsistent experiences.

Breaking down these silos is not primarily a technology problem. It is an organisational, process and governance problem. Product stickiness — the tendency of customers who hold multiple products with a

provider to stay longer and spend more — is directly threatened when channel experience is inconsistent.

## **Speed, Simplicity, and Reduced Effort**

Harvard Business Review identifies the reduction of customer effort as the single most important driver of customer loyalty. Customers do not primarily want to be delighted; they want frictionless resolution of their needs. Seventy-nine percent of consumers are willing to pay more for convenience and fast transactions. Fintech challengers have demonstrated that AI-powered onboarding can reduce account opening from 20–30 minutes to under 10 minutes. Loan approval times have been reduced by up to 80% through AI processing.

## **Human Connection Where It Matters**

Digital-first is not digital-only. In complex decisions — mortgages, business loans, insurance claims, investment planning, financial difficulty — customers overwhelmingly want human empathy, not automated responses. The challenge is not choosing between digital and human; it is deploying each intelligently across each interaction point. The 'phygital' model — seamlessly connecting digital convenience with accessible human support — represents the practical response to this tension.

## 4. AI as a CLT Enabler

---

### Opportunity and Caution

Financial services is experiencing an AI inflection point. By 2024, 75% of firms in the UK financial sector were already using AI according to a Bank of England survey, primarily for data analytics, anti-money laundering, fraud prevention, and cybersecurity — and adoption has continued to accelerate globally through 2025. Among the world's largest financial institutions, AI investment averaged \$22.1 million per firm in 2024.

The AI market in financial services is projected to grow from approximately \$38 billion in 2024 to over \$190 billion by 2030 — a compound annual growth rate exceeding 30% — as institutions accelerate deployment of generative and agentic AI.

### Where AI is Delivering Results

- **Personalised financial guidance.** AI systems analysing spending patterns, income flows, and life events to generate contextual recommendations — demonstrated at scale by Bank of America's Erica.
- **Intelligent onboarding.** AI identity verification has reduced onboarding times by 50%, with 30% increase in customer retention within the first six months.
- **Fraud and risk prevention.** AI-based systems achieve detection accuracy exceeding 90%, with projections that these systems will save global financial services firms over £9.6 billion annually by 2026.
- **Customer service automation.** AI handles millions of customer interactions monthly, improving first-contact resolution while reducing operational costs by up to 30%.
- **Proactive intervention.** AI-driven analysis identifies customers likely to churn, encounter financial difficulty, or be receptive to a specific product — enabling intervention before disengagement.

### Realistic Cautions for the C-Suite

The opportunity is genuine, but the implementation record is sobering. Only 38% of AI projects in finance meet or exceed ROI expectations, and over 60% of firms report significant implementation delays. Sixty-eight percent of CTOs cite legacy systems as the most significant obstacle to AI adoption. Projects that reach deployment often do so with limited scalability.

Several patterns distinguish successful AI-CLT programmes from those trapped in pilot paralysis:

- Starting with narrow, high-value use cases rather than enterprise-wide transformation
- Ensuring data quality and integration before building AI layers on top
- Maintaining human oversight in high-stakes customer interactions
- Treating AI talent as a strategic asset requiring specialist financial services expertise
- Building governance frameworks for AI outputs — particularly in regulatory environments where explainability and compliance matter

The financial services organisations achieving the strongest AI-CLT returns in 2025 are those that began building capabilities systematically several years ago. For those that have not, the priority is to make decisions and move — carefully but with urgency.

## 5. Where Large FS Organisations Fall Short

---

### Customer Relationship Ownership Remains Contested

In most large financial services organisations, the question of who ultimately owns the relationship with the customer is still unresolved — and a major point of conflict for those customers. Responsibility cycles between marketing, operations, digital, and strategy — often with each division optimising its own metrics rather than the customer's end-to-end journey. Gartner research confirms that the primary reason for the underperformance of the customer relationship is leaders not adequately communicating the importance of the customer and their evolving needs to the broader organisation.

Effective Customer-Led Transformation requires horizontal governance — viewing the organisation from the customer's perspective, not the institution's internal structure. This requires executive sponsorship, a senior CX owner with cross-functional authority, and meaningful connection between Customer-Led metrics and executive performance measures. Absent this, Customer-Led Transformation becomes a programme rather than a culture.

### Digital Investment Has Not Matched Customer Expectations

Large financial services organisations have invested heavily in digital transformation. The returns have been uneven. Research finds that 38% of financial services leaders believe they deliver excellent in-person proficiencies to customers — but only 11% believe they replicate this excellence online. This gap persists despite years of app investment.

The causes are structural. Many large financial institutions have bolted digital capabilities onto legacy core systems that were designed for in-person or paper-based service delivery 40 or more years ago. Each successive layer — ATM connectivity, internet banking, mobile, digital portals — added complexity and fragility. The solution is not incremental. It requires investment in core systems modernisation — a multi-year, high-complexity undertaking that cannot be deferred indefinitely.

### Onboarding Friction Loses Customers

Onboarding — the first substantive interaction a customer has with a financial services provider — remains unnecessarily difficult in most large institutions, whether for a bank account, insurance policy, investment platform, or wealth management mandate. Inconsistent interpretation of regulatory requirements, excessive documentation demands, and process complexity drive prospective customers to more accommodating competitors before a relationship has even formed.

The regulatory environment does not require the friction that most institutions introduce. What it requires is proportionate, risk-based customer verification and appropriate product suitability checks. The gap between regulatory necessity and current practice is primarily an organisational problem, not a legal one.

### Female Customers Represent an Underserved Opportunity

Female customers represent one of the most significant underserved opportunities across financial services — and one of the most commercially valuable. McKinsey research published in May 2025, drawing on surveys of over 13,000 investors in the US and Europe, found that women now control an

estimated **\$60 trillion in global assets under management**, representing approximately 34% of global AUM — a share growing faster than the market overall.

Between 2018 and 2023, global financial wealth increased by 43%, while wealth controlled by women rose by 51%. Yet an estimated 53% of assets controlled by women are currently unmanaged, compared to 45% for men — representing a **\$10 trillion opportunity by 2030** for firms that successfully close this gap. McKinsey now projects women will control around \$34 trillion (about 38%) of US investable assets and €11.4 trillion (about 47%) of EU AUM by 2030.

Financial services organisations that treat female customers as a demographic footnote — rather than a distinct segment with specific needs and expectations — are foregoing one of the largest and most clearly evidenced growth opportunities in the sector.

## 6. Enterprise Transformation: The Only Path

Incremental improvement cannot close a structural gap. The financial services organisations that have succeeded in delivering genuinely differentiated customer experiences — across markets, channels, and customer segments — have not done so by patching existing processes. They have undertaken coordinated, enterprise-wide transformation: reorienting their business model, modernising their technology estate, and embedding customer-led processes & thinking into how the organisation makes every significant decision.

There are two inseparable dimensions to this transformation. **Business transformation** defines what the institution is for — its purpose, culture, operating model, and how success is defined and measured. **Digital transformation** defines how the institution delivers — the systems, data architecture, and technology capabilities that make the customer experience possible. Neither works without the other.

"Technology cannot fix broken principles. But principles without technology cannot scale. Both must be transformed together, and both must be led from the top."

### Business Transformation: What It Means in Practice

Business transformation in the context of customer relationship building means one thing above all others: the organisation stops being organised around its own internal structure and starts being organised around meeting the customer's needs. This sounds straightforward. In a large financial services organisation with decades of product-line P&Ls, departmental silos, and management incentives built around internal metrics, it is one of the hardest organisational changes to execute.

#### Redefining What Success Looks Like

Most financial services organisations measure success in ways that are invisible to their customers: net interest margin, combined ratio, AUM growth, cost-to-income ratio, product penetration by segment. These remain important, but they are outcomes — not the drivers of sustainable competitive performance. The transformation begins when leadership teams add a parallel set of measures that capture the customer's reality: effort scores across key journeys, first-contact resolution rates, customer lifetime value by cohort, net revenue from existing versus new customers, and churn by root cause.

#### Culture and Behavioural Change

A business transformation that exists only in strategy documents and presentation decks will not change or enhance the customer relationship. The change must reach the front line — branch staff, contact centre agents, relationship managers, digital product owners — and it must be supported by the systems, training, authority, and incentives that make different behaviour possible.

#### Operating Model Redesign

The siloed operating model that characterises most large financial services organisations is directly incompatible with delivering excellent customer interactions. Business transformation requires moving toward a horizontal operating model — one that maps to how customers actually engage with the institution across their lifetime, rather than how the organisation has historically structured its products and divisions. This typically means creating cross-functional customer journey teams with accountability for

end-to-end experience outcomes; shared data standards that allow a unified view of the customer; and governance that rewards collaboration over departmental optimisation.

## Digital Transformation: Infrastructure for the Experience Economy

Digital transformation is not the same as digitising existing processes. Moving a paper-based mortgage, insurance, or investment application into a PDF upload portal is digitisation. Redesigning the end-to-end customer journey — from first search intent through to completion and ongoing servicing — intelligently, contextually, across channels — is digital transformation. Only the latter improves the interactions with the customer; the former merely reduces paper.

### Core Systems Modernisation: The Non-Negotiable Enabler

Legacy core infrastructure is the single biggest structural constraint on digital customer relationships in most large financial services organisations. Systems built 40 or more years ago for in-branch or paper-based processing, subsequently extended for ATMs, internet access, and mobile, now carry decades of accumulated complexity, fragility, and technical debt. EY's Financial Services CTO Survey found that 68% of CTOs cite legacy systems as the most significant obstacle to AI adoption — and that AI initiatives experience delays of 12–18 months on average due to compatibility issues with existing infrastructure.

Financial services organisations that have successfully navigated core modernisation — ING, BBVA, DBS, and leading insurers among them — have done so through phased migration strategies, API-layer architectures, and strong programme governance with board-level sponsorship. None treated it as a technology project. All treated it as a strategic enterprise-level business transformation with technology as the means of execution.

### Data Architecture as Competitive Infrastructure

Personalisation, proactive service, AI-driven insight, and seamless omnichannel experience all depend on one underlying capability: a unified, accessible, high-quality view of the customer. Most large financial services organisations hold extraordinary volumes of customer data distributed across dozens of systems, in formats that cannot easily be combined, with governance frameworks that prevent appropriate internal sharing. Building the data architecture that enables genuine CLT is a significant investment — and it is also the infrastructure that makes every other customer-driven initiative more effective.

# 7. How Transformation Affects Senior Management

---

Enterprise transformation of this scope and ambition places specific and demanding requirements on senior leadership. It is worth being explicit about what these are, because underestimating them is the most common reason transformation programmes stall.

## **The CEO's Role: Setting and Holding the Direction**

Customer-Led Transformation requires CEO-level conviction. Not as a talking point — as a demonstrated priority in resource allocation, talent decisions, and the willingness to make changes to the operating model that create short-term disruption for long-term gain. When the CEO is the most visible champion of customer-centric culture, the organisation takes it seriously. When CLT is delegated entirely to a Chief Customer Officer or marketing function, it is treated as a programme rather than a strategy.

## **The Board's Role: Governance and Accountability**

Board members need to move beyond receiving NPS scores as evidence of customer health. Effective board oversight of CLT means understanding the commercial relationship between customer experience quality and financial performance; ensuring that the organisation has the right leadership, investment, and governance in place to deliver transformation; and holding the executive team accountable for progress against customer outcome metrics — not just financial metrics. Under Consumer Duty in the UK, board-level accountability for customer outcomes is now a regulatory expectation, not just a governance aspiration.

## **The COO's Role: Operational Redesign**

The COO faces the most tangible challenge: redesigning the operational infrastructure of a large, complex institution while it continues to serve millions of customers. This means managing legacy system modernisation, implementing journey-based operating models, building the data capabilities that personalisation requires, and ensuring that operational processes are designed around customer effort reduction rather than internal efficiency alone.

## **The CFO's Role: Making the Investment Case**

Digital and business transformation at enterprise scale requires sustained investment over multi-year horizons. The CFO's role is to build the financial framework that justifies this investment — connecting CLT improvement to customer lifetime value, retention economics, and cost reduction — and to ensure that investment is allocated with sufficient discipline and continuity to deliver results. Short-term budget pressure is the most common cause of CLT transformation programmes being scaled back before they generate returns.

## **The CMO's Role: From Communication to Experience Design**

Marketing's role in CLT transformation is often misunderstood. It is not to communicate better about an unchanged product. It is to ensure that the voice of the customer is continuously and rigorously represented in product development, operating model design, and service delivery. The most effective CMOs in financial services have built genuine customer insight capabilities — not survey programmes, but deep understanding of how customers make financial decisions.

# 8. Strategic Priorities for 2026–2028

---

## 1. Establish C-Suite Accountability for Customer Outcomes

Consumer Duty has made this a governance requirement, not just a business choice. Every FCA-regulated firm should be able to answer clearly: who is accountable for customer outcomes across the entire institution? That individual needs cross-functional authority, a budget, board-level visibility, and KPIs linked to commercial performance. Proper & effective CLT cannot be owned by a department; it must be owned by the institution.

## 2. Replace NPS with a Multi-Dimensional Measurement Framework

Net Promoter Score is insufficient as a primary customer relationship metric. Replace or supplement it with a framework that connects satisfaction signals to behavioural outcomes (churn, product uptake, complaints) and financial metrics (customer lifetime value, revenue per relationship, cost to serve). Build dashboards that tell the C-suite what is happening to customer relationships in commercial terms, not just sentiment terms.

## 3. Prioritise Frictionless Digital Onboarding and Self-Service

Every customer who encounters unnecessary friction at account opening or routine self-service is a customer at risk of switching. Map the top five high-friction customer journeys in the next 90 days. Redesign them. Use AI to automate identity verification, document handling, and first-contact issue resolution. Measure the outcome in conversion rates and complaint reduction, not just satisfaction scores.

## 4. Build AI Capability Systematically, Not Experimentally

Most financial services organisations are running too many AI pilots and not enough production deployments. Consolidate. Identify two or three high-impact use cases — likely in personalised communication, intelligent service automation, and proactive risk intervention — and build production-grade infrastructure around them. Measure ROI. Use early wins to build the organisational confidence and capability for the next wave.

## 5. Think in Journeys, Not Transactions

Most CX measurement focuses on individual touchpoints. These measures reinforce silos. Replace them with an effective CLT end-to-end journey measurement: what is the customer's experience from first consideration through to product maturity and renewal? This shift in measurement will drive a shift in operational behaviour — and is the foundation for understanding true customer lifetime value.

## 6. Close the Personalisation Gap

Every large financial services organisation holds the data needed to personalise at scale. Most are not using it effectively. Build the data and analytics capability — and the customer permissions framework — to enable relevant, timely, contextual interactions across the customer lifecycle. Start with the highest-value customer segments and expand outward.

## 7. Treat Core Systems Modernisation as a Strategic Priority

Legacy infrastructure is the single greatest structural constraint on delivering the CX that customers now expect. The investment case is complex, and the execution risk is real — but the cost of continued inaction

compounds every year. Begin with a clear-eyed architecture assessment, identify the phased migration path that manages risk while enabling capability, and ensure this programme has CEO and board sponsorship.

## 9. Conclusion

---

### The Imperative Has Not Changed — The Urgency Has

The core argument of this briefing has not changed from earlier editions: differentiation in financial services is no longer determined by price, product, or physical location. It is determined by effective Customer-Led Transformation. The financial services organisations that understand this and act on it will retain customers, grow wallet share, reduce costs, and compound their advantage over time.

What has changed is the competitive and regulatory context. Neobanks have matured. AI has arrived as a deployable capability, not a future prospect. Consumer Duty has made customer outcomes a governance obligation. The cost of inaction has increased.

The financial case is clear. The strategic imperative is clear. The operational challenge is significant but not insurmountable. The institutions that invest with commitment and urgency — building the organisational capability, the measurement discipline, and the cultural alignment needed to deliver genuinely effective customer interactions — will be the financial services organisations that their customers choose to stay with, expand their relationship with, and recommend to others.

Those that continue to treat Customer-Led Transformation as a programme, a department, or a marketing exercise will continue to lose customers, capability, and competitive ground. The imperative applies equally whether your institution is a retail bank, insurer, wealth manager, investment firm, or business bank — the customer's expectations do not change at the category boundary.

*"The #1 most important factor in customer loyalty is the reduction of customer effort."*

— Harvard Business Review

# Appendix: Strategic Self-Assessment

---

The following questions are designed to help executive teams assess the maturity and effectiveness of their current CX strategy. They are intended for use in board-level or ExCo discussions rather than operational reviews.

## Enterprise Transformation Readiness

- Have we drawn a clear distinction between our digital transformation programme and our business transformation agenda? Are both being resourced and governed appropriately?
- Does our current operating model reflect how customers experience & interact with our institution — or how we have historically organised our products?
- What is our honest assessment of our core systems infrastructure timeline? Are we building a credible case for modernisation, or deferring the decision?
- How do we ensure that CLT intent at the top of the organisation translates into different behaviour at the front line?
- Are we designing for the customer's full lifetime relationship with us — or optimising each product interaction independently?

## Governance and Accountability

- Who has explicit, cross-functional accountability for customer outcomes in our institution? How is their performance measured?
- Does our board receive regular, commercially-framed CLT performance reporting? Does it connect satisfaction data to revenue, retention, and cost outcomes?
- Are executive incentives linked to customer outcome metrics? If not, why not?

## Digital and Technology

- What is our honest assessment of the digital experience we deliver compared to best-in-class? What is the gap in key aspects?
- What is our core systems infrastructure modernisation timeline, and are we resourced appropriately to execute it?
- Which AI-CLT use cases are we deploying in production today, and what is the measured commercial return?

## Customer Understanding

- What do we actually know about why customers leave us? Do we have systematic exit intelligence, or do we rely on survey data?
- How do we interact with our customers on both a professional and personal level? Do we have open dialogues?

- Which customer segments are most underserved by our current experience? What is the commercial opportunity in improving their interactions?
- How are we using the data we hold to personalise at scale? What is preventing us from doing this better?

### **Measurement and ROI**

- Are we measuring the ROI of CLT investments? If not, what would it take to build that capability?
- What are our top five highest-friction customer points? Do we have plans to redesign them?
- How do our customer lifetime value metrics compare to our competitors? How much of the variance is attributable to experience quality?

---

**About the Author.** Dan Collins is the Founder and Managing Partner of Experience Transformation and a globally recognised Chief Transformation Officer with 30+ years of enterprise transformation experience across 65+ markets. He has delivered customer, digital and business transformation programmes for Fortune 500 organisations including Microsoft, SAP, Volkswagen Group, American Express, and BellSouth. Dan is a regular CNBC International commentator and a weekly commentator for CNBC Arabia.

*This document contains forward-looking analysis based on industry research current as of May 2026. Sources include McKinsey, Forrester, Bain & Company, Bank of England, EY, Gartner, FCA, Deloitte, and Bank of America public disclosures.*