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- [Scotland](#)
- [Wales](#)
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- [Market Data](#)
- [Your Money](#)
- [E-Commerce](#)
- [Economy](#)
- [Companies](#)
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- [Health](#)
- [Education](#)
- [Science/Nature](#)
- [Technology](#)
- [Entertainment](#)

Banking on a future without queues

By **Gavin Stamp**
BBC News business reporter

For most people, visiting their High Street bank is a pretty rudimentary event.

At best, an unavoidable but unmemorable chore - at worst, a frustrating and occasionally exasperating experience.

Despite the growth of telephone and online banking, branches remain banks' most visible shop window.



A visit to a bank can often be a frustrating experience

But despite the introduction of comfortable sofas and coffee carts, outlets remain largely functional and the service often leaves something to be desired.

But how much more rewarding would it be if you were personally greeted on arrival, rarely had to queue and the cashier immediately grasped what you needed and how to help you?

This might seem fanciful. However, new technology currently being trialled by a handful of banks around the world is designed to change all that.

Superior service?

At the heart of this potential revolution is the use of radio frequency identification (RFID) technology.

These are tiny chips holding a unique ID number which emit radio waves and can be tracked and scanned.

These "radio barcodes" are well established in the US, with retailers putting them on packaging and products to monitor stock levels.

Civil liberties groups are worried about their spread, fearing they could be used to track people's out-of-store movements.

But the technology is being rapidly developing, being adopted by credit card companies and even some mobile phone providers.

And there are those who believe it could eventually offer a huge business opportunity for banks.

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“ The challenge is how banks differentiate themselves in customers' eyes and how customers can get a better level of service ”

Simon Jenkins, Accenture

Accenture Tech Labs has been busy imagining what the bank branch of the future may look like and what software will be needed to power it.

Researchers from the firm, a research and development arm of management consultants Accenture, have created a mock prototype of a "next generation" branch at its French laboratory.



Product information could be more immediate and eye-catching

These microchips are central to their vision.

"The bank branch is still a fundamental sales channel," says Simon Jenkins, a partner at Accenture and a specialist in retail banking.

"The challenge is how banks differentiate themselves in customers' eyes and how customers can get a better level of service and value from their banking relationship."

Accenture believes the technology could help dramatically improve the service customers get and boost loyalty levels at a time when dissatisfaction with banks and their service is high.

Name recognition

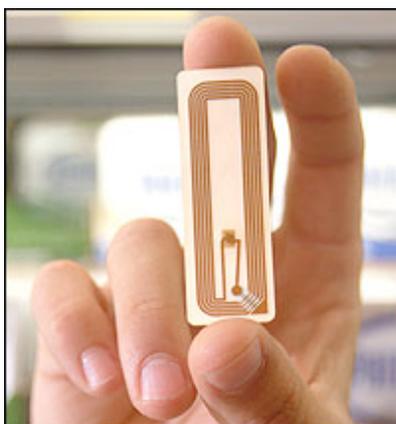
Simply put, RFID chips embedded into credit cards or special loyalty cards would enable banks to identify customers the moment they walk through the door.

From that point on, what customers do in-store will automatically transmit information to staff.

For instance, when a customer picks up a brochure about car insurance, relevant information would flash up on a plasma screen and alert staff to a customer's interest in the product.

These may sound like gimmicks of limited value to most bank users.

But by collecting information at an early stage - combined with new systems speeding up data processing - cashiers would be better informed, able to offer a more productive, quicker service.



Will radio frequency ID chips revolutionise bank branches?

Other technology is on the horizon which could potentially reduce customers' headaches.

Biometric tools such as fingerprint recognition could soon be used to verify IDs, while some firms are already using specialist cameras to track customer behaviour in their branches and monitor how long queues are.

Digital pens, which are designed to remove the need for staff

to key in all customer information themselves, could make many administrative errors a thing of the past.

One bank, HBOS, believes technological innovation can help give banks a competitive advantage.

"Testing digital pen and paper in a real life business scenario was an important gauge for how we can apply emerging, creative solutions to traditional processes," says Mark Parker, its head of group technology.

Customer caution

However, much of this has yet to be tested in the UK and banks are generally reluctant to discuss it, possibly due to the privacy and security issues involved.

"There is obvious wariness about how this stuff is going to work," stresses Simon Jenkins.

But he adds: "The banks are cautious but they are definitely going to dip their toes in the water."

Anyone carrying RFID tags will do so voluntarily and banks are highly unlikely to use scanners which are capable of tracking cards outside branches.

But groups such as Liberty want tight controls on how information acquired through such technology can be used.

As for security, Accenture admits that no technology is completely secure, but stresses that safeguards are in place to prevent fraud in the event of cards being lost or stolen.

Customers will still have to enter a pin number to remove money.

"No bank in their right mind will hand out money just with an RFID card and no other verification," says Mike Redding, Accenture's director of global development.

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