

Credit Union Priorities for 2021

Chris Doner, founder and CEO of Access Softek

2020 has certainly dealt a fair share of challenges to the financial services industry. The pandemic forced countless employees to transition into working from home and triggered a shutdown of most credit union branches. As we venture into 2021, some of these challenges remain, keeping digital banking, wealth management, fraud control, and deeper, more meaningful relationships top of mind for credit union leaders.

Digital Banking

Digital banking services have moved from “nice to have” to a necessity as COVID-19 pandemic continues to alter the way members interact with credit unions. These services make it safe for members to manage their financial affairs from home, while still delivering the quality experiences they are accustomed to.

Digital banking presents new opportunities for credit unions to market toward younger Millennials and Generation Z. Tools such as real-time online loan products and mobile-based investing fit perfectly into the digital-first lifestyles many of these consumers have.

According to an [Access Softek survey](#), 60% of respondents had children that chose not to bank at their parents' credit union. The same [survey](#) found that 55% of respondents cited moving away as the reason why their children do not bank at the same financial institution. Seeing most banking is online or mobile today, credit unions have a unique opportunity to demonstrate their ability to serve a member beyond the geographical confines of their branch network.

Wealth Management

In 2021, we can expect a rise in credit unions leaders exploring wealth management offerings for their members. While still cost prohibitive in the traditional sense, credit union leaders are turning to robo-advisors. Robo-advisors provide an intuitive, low-cost way for members to begin investing. This solution leverages automation to manage investments and allow members with small dollar amounts to begin investing.

Robo-advisors will become increasingly more crucial for credit unions. They appeal to a younger and wider demographic, help keep valuable assets in the credit union, and increase its market share in wealth management. During a time of historically low interest rates, non-interest income is critical for credit unions that want to stay successful. Robo-advisors are a simple solution that not only help credit unions attract members but generates this crucial non-interest income.

Fraud Control

The most recent fraud trends [report](#) from LexisNexis Risk Solutions found a nearly 20% increase in monthly fraud attempts in financial services since the beginning of the COVID-19 pandemic, and the cost associated with that fraud increased by roughly 11%. Credit union leaders, who are already on high alert, will seek after solutions that can best mitigate the cases of fraud incited on the CU, and how it can empower members to protect themselves.

The need for better fraud mitigation gives the opportunity for artificial intelligence (AI) to serve in this role. AI learns members' behaviors, identifies out of pattern behavior and alerts members to suspicious activity in real-time.

AI gives way to better authentication methods. Today, passwords are the primary mode of financial account authentication. Passwords pose a security threat as they are often easily guessed, shared or compromised. In their place, biometric authentication methods such as fingerprint scans, facial recognition or voice ID, ensure the right person is logging in and keeps fraudsters from being able to guess or share login information. Biometric authentication streamlines the login process and creates a better experience for members.

Technology will remain at the forefront of innovation in 2021. The aforementioned solutions for credit unions are crucial, but credit union leaders must realize the solutions are only as good as the credit union leaders providing it. In other words, relationship building with members is the foundation upon which the technology best serves its intended purpose. Tools like conversational banking allow the member to interact with the client representative and humanize the digital experience. The solutions selected by a credit union provide an avenue to add value and create lasting member relationships. When choosing which solutions to prioritize in 2021, think about your members and this year could be your strongest yet.

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