

7 DAO benefits you can't afford to ignore

In today's financial landscape, where competition is fierce and accountholder expectations are higher than ever, offering digital account opening is not just an option but a necessity for financial institutions. Cornerstone Advisors' recent survey of checking account openings that fintechs still outpaced traditional financial institutions in new checking account openings in 2024.¹

Unfortunately, many financial institutions are falling behind in investing in the most nimble onboarding systems. In 2024, digital checking account openings declined due to bottlenecks in improving account opening systems and evolving demographic shifts.

Banks and credit unions must provide the digital tools that make it easy to open accounts online and create more efficient processes internally so applications can be processed and opened quickly and securely. In turn, your institution will be more competitive in the marketplace, more efficient, and more profitable.

Here are 7 key reasons digital account opening is imperative in today's environment:

- 1. Efficiency:** Automating the account opening process reduces the time and resources needed to onboard new accountholders, allowing staff to focus on more complex tasks. This includes automating data entry, identity verification, electronic signatures, and document processing. By streamlining these processes, institutions can reduce the need for manual intervention, minimizing errors. Staff is freed up to focus on more strategic initiatives, such as relationship management and business development.



» **Key stat:** The time to open a new account can be reduced from days to minutes, leading to an average 50-80% reduction in processing time.²

2. **Cost Savings:** Digital account opening eliminates the need for physical paperwork and reduces the overhead costs associated with maintaining branch operations. This, in turn, allows banks and credit unions to handle a higher volume of applications without increasing staff, leading to labor cost savings.
3. **Expanded Reach:** Attract consumers and businesses across all generations through your digital front door as an extension of your branch. You can target applicants from a wider geographic area. Additionally, digital account opening is available 24/7, making it convenient for applicants to open accounts at any time. This accessibility appeals to tech-savvy individuals, including younger generations, such as Millennials and Gen Z, who prefer digital solutions for their banking needs.
4. **Improved Accountholder Experience:** A streamlined, user-friendly digital account opening process enhances accountholder satisfaction and can lead to higher retention rates. Critical parts of the process, like ID scanning and authentication, [can not only prevent fraud](#) but avoid application abandonment and processing delays. Omnichannel capabilities are critical for a seamless experience. Applicants expect to start interactions in one channel and be able to finish in another, requiring institutions to break down barriers between physical and digital channels.

» **Key stat:** A \$2b bank recently estimated they've reduced new account approval times by 88%.
5. **Enhanced Data Accuracy and Insights:** Digital processes allow for better data collection and analytics, helping institutions understand accountholder behavior and preferences as well as predict future behaviors and make more informed decisions. This proactive approach not only enhances accountholder satisfaction but also drives strategic growth by aligning offerings with market demands. In a competitive landscape, the ability to harness and interpret data accurately is a key differentiator, empowering institutions to stay ahead and deliver exceptional value to their accountholders.



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» **Key stat:** Digital processes reduce errors associated with manual data entry, leading to a 30-50% improvement in data accuracy.³

6. Compliance: Digital account opening solutions can be designed to ensure compliance with regulatory requirements like KYC and AML, reducing the risk of errors and penalties. These platforms can be updated quickly to reflect regulatory changes, ensuring that banks and credit unions remain compliant with the latest rules and guidelines. Digital systems also streamline document collection and storage, reducing the time spent on manual handling.

» **Key stat:** Digital platforms can verify accountholder identities in real time, reducing the time required for manual verification from hours or days to just minutes.⁴

7. Flexibility: Digital account opening systems that integrate with other banking systems provide a seamless experience for both accountholders and staff. Availability of third-party services through APIs further enhance the experience by offering technology or data integration when institutions might not have the capability to develop it internally. Employee-facing workflows can be used for in-branch account opening or to review or complete applications that need assistance.

With rapidly changing consumer desires, account opening processes must contain advanced capabilities. Simply having a basic account opening solution is not enough.

Look for digital systems that can save your staff time while increasing not only their efficiency, but also their effectiveness. That time savings gives them the opportunity to do what they do best – interact with your clients and prospects. This gives you a competitive edge and allows you to focus more on relationships and less on process.



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explore the possibilities

[See for yourself](#) how the experiences with and without a digital account opening platform compare.

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sources

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