

# ABN AMRO Pushes Mobile Mortgage Information

By Lynn Koller

*Mortgage customers of ABN AMRO North America Inc., may soon be able to check the interest rate on their loans and receive account alerts in the dead of night, miles from the nearest modem or T1 line. The \$182-billion asset bank, headquartered in Chicago, is undergoing a pilot test of a wireless program supplied by Chicago-based Curious Networks that would let mortgage customers view information such as payment history, due dates, escrow and tax disbursements from any Internet phone or palm device. ABN also plans to push information, such as alerts and messages, to its customers. Many banks now allow customers to pull account information through their wireless devices. Fewer actually push data to customers, and a fraction of those offer their services over the customers' choice of wireless devices.*

Today, the 1.2 million mortgage customers of ABN AMRO can go through its call center or Web site for information about their accounts. Reducing call center traffic and increasing customers' options are two reasons for the pilot, says Matthias Autrata, senior vice president of ABN AMRO Information Technology Services Company Inc. He also believes that wireless services are creeping toward ubiquity, with now being an opportune time for ABN AMRO to research and develop its programs.

"We have to investigate it, offer it, and refine it. This is one of these areas where we know that it is coming ...the bottom line is that we are doing this because it is a business mandate," Matthias says.

He concedes that mortgage customers have not been clamoring for wireless capabilities. The decision to lead with mortgage servicing arose primarily from convenience. ABN AMRO had just made changes in its mortgage system that readily enabled the test.

"We've seen demand for [wireless capabilities] in more high value relationships. If you went to a private banking relationship or a business relationship ... that's where we have better data than there is demand," Matthias says. He adds, "My attitude is really that we should do a number of different pilots and experiment."

## Limited Pilot

The pilot consists of only a few dozen users, mostly technologically-savvy employees of the bank. But, with ABN AMRO serving in excess of a million mortgage customers, the outcome of its testing is significant. In Matthias's estimation, the current test will impact the timing and perhaps extent of offering a widespread wireless system, but regardless of its outcome, wireless will remain part of the bank's overall plan.

"Our strategy is to enable our systems, over time, to become Web-services-even if just internally. Thus, eventually, Curious Networks will be able to integrate with any system required," says Matthias.

He says that ABN AMRO would like to soon expand the pilot to its loan origination side and is also looking into wireless opportunities for cash management, small-medium enterprises, and wealth management divisions. Matthias would not provide any estimate on when these new services might become available to mainstream customers. As for its vendor, Curious Networks is confident its product is ready to go to work.

## A Year In The Making

Curious Networks spent most of 2000 building, testing and evaluating its Continuum product, which it began offering in January of this year, according to Michael DeCiello, its vice president of business development.

The product allows banks to make applications available through any mobile device and even with voice recognition capabilities. The platform operates with standard protocols, including XML, WML, HDML, VoiceXML, and J2ME.

"There are very few limitations on the devices we can support today," Michael says.

## **A Nice Fit**

ABN AMRO chose the Continuum product because it readily covered a wide range of devices and did not require the bank to eliminate or replace its existing applications.

"We selected Curious Networks because they have a very nice fit with our strategy of channel independent and XML-based services. This includes the fact that they are able to cover a range of devices without changing the business logic but only adjusting the presentation," Matthias says.

Michael says that the system works fairly simply: ABN has its own internal systems. Curious Networks installs Continuum and writes a small, XML-based application for the systems to communicate. Continuum then transmits data through the bank's service channels to customers on demand.

"We're not married just to wireless technologies. We believe that companies shouldn't have to choose between the different applications," says Michael referring to voice recognition, wireless devices and PCs.

## **No Illusions**

Matthias has no illusions about the present state of wireless technology. "The issue with wireless today is that there are certain inherent security problems with it," Matthias says.

He explains that while the technology has made strides toward security, it remains far from ready for transmitting high value transactions, such as when people authorize wire transfers of hundreds of thousands of dollars.

Currently, Matthias feels fairly comfortable with reporting and alerts through wireless devices. "At worst, people may eavesdrop on the conversations you're having," he says, adding that while that may be undesirable, at least its risk is tolerable.

Guaranteed end-to-end encryption is needed, however, before the industry can offer widespread transactional capabilities. "That's why we want to take a phased approach on this one," Matthias says.

## **Some Concerns**

Matthias was initially concerned with how Curious Networks system would handle scalability and load balancing, but his reservations have been alleviated and he does not foresee problems at this point. He feels the system is well built, and he has also seen more load-balancing alternatives emerging in the marketplace.

While the system being tested at ABN AMRO is technologically advanced, whether it actually cuts call center costs and improves customer convenience is still a valid concern. Services that lend themselves to wireless may be the same as those now done via the bank's Web site, which would not necessarily create less call center traffic. And, it still remains questionable how many people want to check their mortgage balance while they walk through an airport or sit on a beach in the Caribbean. Finally, wireless users will inevitably need occasional human help and that means after they fiddle unsuccessfully with their Palm Pilots, they'll be disconnecting and then dialing in to the call center, using two bank channels to accomplish one task. ABN does not have plans at this time to rollout real time chat to its wireless users.

Despite his aspirations for a cost-effective system, Matthias feels it's not all about the money. Cost savings may come later, with that being the price of doing business.

"I believe that wireless being an emerging technology means that you have to experiment and try things and maybe fail a few times. Do I want to let someone else do it and follow or be there as a leader?" Matthias says.

## Some Optimism

Michael is understandably more optimistic about cost savings.

"If they can offload even just 1% of their call center operation to mobile devices, then that's a huge cost savings," Michael says.

Curious Networks is selling the system to ABN AMRO based on a price per CPU, plus maintenance and operating costs. The cost of one CPU is typically \$75,000. Since ABN AMRO will require about 10 CPUs, its cost will be lower per unit. Maintenance and operating fees run 15% of cost of the system per year. While Curious Networks will not target the tiniest of banks at this point, Michael says that they are starting to view smaller multibranch banks - with as few as five or six offers - as potential clients.

He claims that training is minimal, and banks require only a day of operational training and two or three days of program training.

## Future Plans

Matthias says that a voice recognition module is "a bit up in the air" right now. He is intrigued by it, but ABN has no plans for implementation. Curious Networks is a development subscriber to TellMe Networks Inc., an Web voice portal, which offers opportunities for voice activated wireless services. ABN is informally experimenting in its pilot with voice recognition technology.

Depending on the outcome of testing, ABN AMRO plans to begin offering mobile applications for cash management. Initially, it will provide notification services, followed by authorizations and approvals. When security is insured, it will consider offering transactional capabilities. ABN AMRO also plans to implement two business applications: authorized employees will be able to view accounts and perform some limited transactions via wireless, and a mortgage tool will help brokers provide clients with up-to-date information while they confer with customers away from the bank.

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