

## Case Study

# Canada's EQ Bank: an online savings bank from scratch in 18 months

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Canada's Equitable Bank wanted to set up in record time an online-only savings bank. Dharmesh Mistry, UXP Product Director for Temenos, talks to the bank's Dan Dickinson about how it succeeded.

*"We wanted to build a digital bank quickly but one that was efficient, lean, and allowed us to go directly to customers with higher rates of interest than our competitors,"*

Dan Dickinson - VP of digital banking - EQ Bank, part of Canada's Equitable Bank





## Introduction

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Within hours of EQ's launch on January 14, thousands were logging on and signing up. It is branchless, offers savings-only accounts with online access, and deals with customers online only. By being branchless it can also promise higher interest rates for savers – currently 3% compared with less than 2% for similar instant access accounts in Canada. The Digital Banking team is just 27 people, although it does outsource its call centre operations.

## Situation

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EQ's move is a big shot back from the banks in the war against the giant disruptors of their industry. Apple, Google, Amazon and others have been stealing a march on legacy banks and their creaky IT systems with a greater understanding of the modern bank customer: they know the services they need, when they want them and the platforms on which they want them delivered.

The disruptors are also incredibly fast innovators. But EQ showed it can be nimble too. It took just 18 months from selecting its core platform to setting up the first account. It then spent another six months working with Temenos on refining the systems, gradually adding more staff accounts, then selected external accounts – friends and family – before launching in January 2016.



**“Because we are branchless we had to select a digital platform and systems that were top notch and that could deliver a great customer experience as the only experience they would receive would be via digital channels. We chose Temenos because they knew the Canadian market, could wrap the core system with everything I needed and deliver it all quickly.”**

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## Solution

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EQ uses Temenos products covering core banking, analytics and digital channels. EQ worked with Deloitte Digital to customise the interface used by customer accessing the bank. A local Canadian design company customised the interface used by customers accessing the bank.

“It wasn’t like a traditional vendor relationship – more like a partnership,” says Dickinson. “Temenos was always highly reactive and very happy to do what we asked – and we pushed hard.”

“There’s normally a trade off between achieving a high-end customer experience that takes a long time to develop and a quick installation with an interface that looks like everyone else’s. I didn’t want that kind of compromise. I wanted a great customer experience and in the end I got what I wanted,” he says.

The bank is currently offering only one kind of savings account, but more savings products will follow. Further into the future, his road map is less clear.

This means he will be able to adapt the offer according to how the mobile banking market develops. Research from the British Banking Association last year predicted that UK customers would use their mobile phones to interact with their current accounts 895 million times this year, and that this would rise to 2.3 billion times by 2020. That growth will be replicated in other markets.

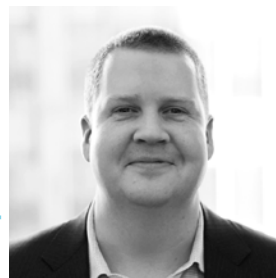
“We will tweak our mobile app as we go,” says Dickinson. “Otherwise our interface stacks up well against everyone else.”

**“We could have got the same user experience with more time, or a worse user experience in the same time by working with another company. What we’ve achieved with Temenos really is remarkable.”**

Dan Dickinson - VP of digital banking - EQ Bank, part of Canada’s Equitable Bank

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**“The flexibility of the Temenos system is incredible. Nearly everything I might want to do is in there already. The beauty is that I don’t have to decide now. But when I do it’s just a question of turning it on. We will build up functionality as we go after a wider customer base,”**



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