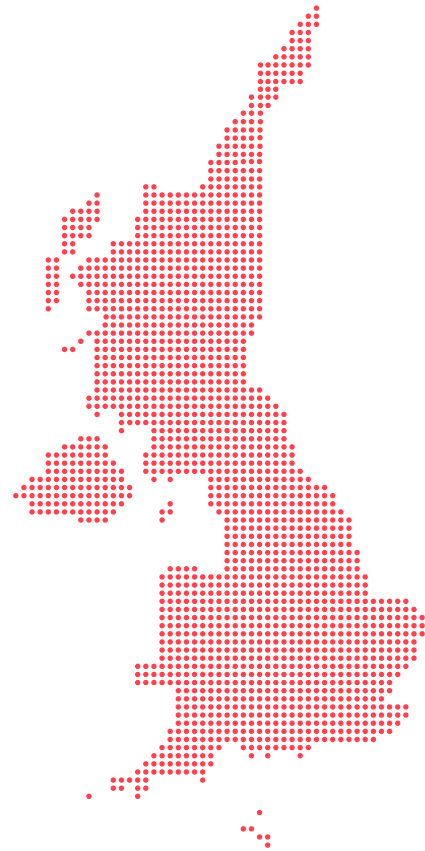


Digital Transformation: What's next for UK banks?

The inside story from 220 senior
UK banking leaders

To lift the lid on the state of digital transformation in UK banking, we surveyed 220 senior UK banking leaders for their insights. We asked them how their transformations are going, what their main challenges are and how they're prioritizing their transformation strategies. **Here's a snapshot of what we found.**



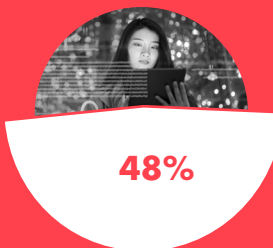
KEY STATS AT A GLANCE



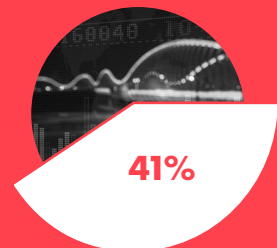
Just 1 in 5 UK banks has an agile operating model.



Do not have a clear digital transformation strategy.

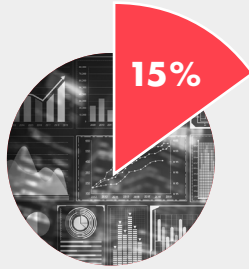


Have made significant progress implementing their transformation.

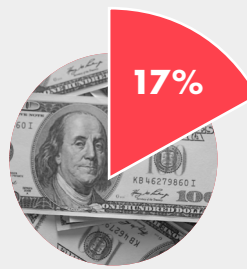


Claim key decisions in their organization are not being driven by customer-centricity.

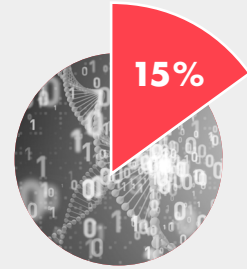
The top priorities for digital business transformation in UK banks are:



Growing revenue with new products and/or service offerings



Enabling greater agility



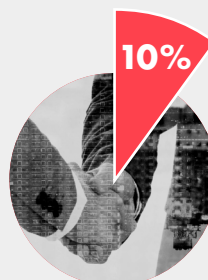
Growing revenue from existing products



Improving the customer experience



Reducing costs through improved efficiency



New customer acquisition



Challenging the threat posed by new market entrants (e.g. Google, Apple, Amazon)

The three main barriers to digital transformation are:

COVID-19

38%

say Covid has been the biggest barrier to their transformation efforts, with many believe the increasing use of digital channels seen during the pandemic will continue over the next 12 months.

OPERATIONAL AGILITY

35%

claim operational agility is holding them back, with most still to implement an agile operating model across their business.

THE SKILLS GAP

33%

claim operational agility is holding them back, with most still to implement an agile operating model across their business.

Unifying customer data is a key priority for UK banks.

Banks want to use data to create new products and services that deliver more personalized omnichannel experiences.



43%

state that combining customer data across different systems to better understand their customers is their top CX transformation priority.



35%

are making creating personalized customer journeys a priority.



34%

said that offering new products and services is a main priority.

UK banks are taking on an agile mindset.

Banks are transforming to survive in the customer-centric digital era. But access to data and the right technology and platforms continues to challenge



BUSINESS NEEDS

38%



said their business needs to be more agile



ORGANIZATIONAL CULTURE

35%



are prioritizing organizational culture to embrace change



TECHNOLOGY AND DATA

35%



are focusing on building technology and data platforms to better understand customer insights.

How do UK banks think they stack up?



52% think they're ahead of their competitors

when it comes to their ability to transform customer experiences.



16% think they're behind

in key development areas.

A focus on sustainability

Environment, Social and Governance (ESG) considerations are driving investment and digital transformation strategies.



STRATEGY

63%



say their ESG strategy is giving them a competitive advantage.



KEY DRIVER

60%



say ESG is a key driver of their digital transformation plans



PERFORMANCE

47%



say they don't have the ability to properly assess their ESG performance.

Diversity takes a backseat

Only 32% of banks have made commitments to diversity, equity and inclusion



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