

## Case Study



### Tesco Bank

#### Technology Provides the Platform for Retail Bank to Reach Lofty Goals

When a multinational retailer set out to create a full-fledged retail bank, it wanted to earn the loyalty of its customers with simple, transparent products that reward loyalty. It needed a technology partner that could help fulfill that vision, and Fiserv was the answer.



Tesco Bank began as a 50/50 joint venture with Royal Bank of Scotland (RBS) in 1997. Tesco, a powerful multinational grocery and general merchandise retailer headquartered in England, wanted to provide its customers transparent, simple and cost-effective banking services, as well as loyalty incentives. Through the joint venture, RBS provided the account processing platforms, IT and supporting systems.

In 2008, Tesco decided to buy out the 50 percent stake from RBS and take control of their own destiny by setting up a full-fledged retail bank. They embarked on a three-year plan to migrate away from the RBS system platforms and operations. In essence, they had to build a bank from scratch and, most importantly, one that is capable of supporting 6 million customer accounts. The initiative was a first of its kind. Currently, Tesco is the only retailer in the United Kingdom to have gone into full-service banking on its own.

Bank leaders knew they needed to partner with an industry leader in order to build the bank at minimum risk, cost and speed. They chose Fiserv for its ability to deliver an end-to-end product with a track record of successful implementation in markets around the world.



#### Client Profile

Tesco Bank is a retail bank in the United Kingdom. The bank was originally formed as part of a 50/50 joint venture between the Royal Bank of Scotland and Tesco, the U.K.'s largest supermarket chain. Tesco later acquired the RBS shareholding, which resulted in the bank becoming a wholly owned subsidiary, and now operates under its own banking licence.

The bank offers a range of insurance, credit cards, loans, savings, mortgages and travel products, and launched a current account in June 2014. Tesco Bank has more than 7 million customer accounts and over 12 percent of all credit card spending in the U.K. is on one of the bank's cards.

Fiserv is driving innovation in Payments, Processing Services, Risk & Compliance, Customer & Channel Management and Insights & Optimization, and leading the transformation of financial services technology to help our clients change the way financial services are delivered. Visit [www.fiserv.com](http://www.fiserv.com) for a look at what's next now.



**Fiserv, Inc.**

255 Fiserv Drive  
Brookfield, WI 53045  
+1-800-872-7882  
+1-262-879-5322

Monte elbruz 124 PB  
Col. Palmitas Polanco  
Del. Miguel Hidalgo  
México DF zip.11560  
+52-1-(55)-5281-4963

[getsolutions@fiserv.com](mailto:getsolutions@fiserv.com)  
[www.fiserv.com](http://www.fiserv.com)

**A Foundation for Growth**

The bank implemented Signature® core banking platform from Fiserv as well as a number of integrated component parts in order to launch a fully integrated retail bank that supports multiple channels and financial services products. In addition to Signature, the strategic implementation from Fiserv has introduced enhancements in online banking with Corillian Online®, customer interaction with Aperio™, and enterprise content management with Nautilus®. Fiserv is also providing solutions for financial crime prevention and reconciliation management.

Tesco Bank migrated 1 million customers from RBS systems to Signature, with the Fiserv professional services team leveraging their global expertise and capabilities to support the migration.

Since Tesco took full ownership in 2008 and the new core banking system went live in 2010, the bank has added 1.6 million customer accounts, launched a range of new products, more than doubled savings balances and increased customer lending by 57 percent.

The final stage of the bank's strategic build was the launch of a current account in June 2014. This offering allows Tesco Bank to offer a full range of the core retail banking services.

"Since 2008, we have invested to build a bank for Tesco customers. Our goal is to win the trust of our customers by offering straightforward, convenient, transparent products which reward loyalty. We are delighted to be serving more customers in more ways than ever," said Benny Higgins, chief executive of Tesco Bank.

**Focusing on the Customer**

Online banking, bill payment and other functions make optimal use of one of the bank's primary channels for reaching customers and providing the services they

**Challenge**

Tesco wanted to create a full-fledged retail bank with the purpose of providing its customers transparent, simple and cost-effective banking services, as well as loyalty incentives. It needed a technology partner that could help fulfill the vision of Tesco Bank.

**Solution**

Tesco Bank chose Fiserv for its ability to deliver an end-to-end product with a track record of successful implementation in markets around the world. By implementing Signature core banking platform and several support solutions, Tesco was able to launch a fully integrated retail bank that supports multiple channels and financial services products.

**Proof Points**

Since Tesco took full ownership in 2008 the bank has added 1.6 million customer accounts, launched a range of new products including mortgages and loans, grown deposits by 107 percent and increased customer lending by 95 percent. Customers are now able to conduct a myriad of banking transactions online in a fraction of the time, and the bank has the technology it needs to continue to grow.

demand faster and more conveniently. For example, instant decisions are now available on loan applications, and customers can now open and fund their savings accounts in 10 minutes rather than two weeks. Today, 90 percent of the bank's business is done online, placing it among the largest Internet banks in the U.K. and positioning it well for the future.

**Connect With Us**

For more information about Signature, email [getsolutions@fiserv.com](mailto:getsolutions@fiserv.com) or visit [www.fiserv.com](http://www.fiserv.com).