

Nearly 5 million hours wasted annually by global banks on resolving cross-border transaction issues

Quinlan & Associates sees urgent need to optimise cross-border transaction banking operations through infrastructure upgrades and process adaptations

Hong Kong, 11 October 2021 – Quinlan & Associates, an independent strategy consulting firm specialising in the financial services industry, has released a thought leadership paper looking in detail at the challenges and opportunities for global banks in the cross-border transaction data space.

The report, titled, *The Weakest Link: Plugging the Data Management Gap in Cross-Border Transactions*, looks at how legacy systems and operational processes can be optimised to address the plethora of data management issues that come with the ongoing explosion in global transaction volumes.

‘There are three fundamental issues associated with transaction data management: (1) market fragmentation; (2) legacy IT systems; and (3) increasingly stringent compliance requirements’, said Marcus Consolini, Partner and lead author of the report. ‘These issues lead to a myriad of problems – with a critical implication being a lack of data transparency and visibility – making it extremely difficult for banks to pinpoint the location of issues during transaction delays and / or failures.’

The authors estimate the industry spends at least 19,000 hours daily on addressing these transaction issues, translating to a minimum of 4.8 million hours of annual time wastage.

‘All of these issues make a strong case for the need for better management of an institution’s transaction data’, said Mr. Consolini. ‘While establishing an efficient data ecosystem is critical for any institution to develop its business, ensuring that the organisation has a systematic approach to addressing frictions and points of failure is equally, if not more, important.’

‘To address these issues, regulators across the world have been placing increased scrutiny on transaction data management, especially around business activity monitoring, financial crime compliance, and industry standardisation’, added Hugo Cheng, Engagement Manager and co-author of the report. ‘To enhance the efficiency of transaction operations, the banks are adapting operational processes, implementing new system functions, and adopting third-party FinTech solutions.’

‘We have also witnessed a shift in preference by banks towards working with specialist vendors’, stated Hugo Cheng. ‘These specialist solutions work with multiple clients, enabling them to develop an in-depth understanding of best practice functions, facilitating improved solution design, all tailored to the expectations of the industry.’

‘Through suitable process adaptations and the implementation of appropriate data management systems, we believe the industry can see significant reductions both transaction issue rates and resolution times, said Mr. Consolini. ‘We estimate the industry can achieve an 81% reduction in time wastage in resolving cross-border transaction issues, equating to 3.9 million hours annually.’

About Quinlan & Associates

Quinlan & Associates is the first firm to offer end-to-end strategy consulting services. From strategy formulation to execution, to ongoing reporting and communications, we translate cutting-edge advice into commercially executable solutions. With our team of top-tier financial service and strategy consulting professionals and our global network of alliance partners, we give our clients the most up-to-date industry insights from around the world, putting you an essential step ahead your competitors.

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