

issue. It wasn't a mistake. I had used a gift card and tipped on the whole bill — not the

remaining balance. But I was impressed, again, with the card issuer's use of big data to act on

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information in such a proactive, customer-friendly way.

But wait; there's more. It's also easier for me to pay my Capital One bill from my credit union checking account at the Capital One site than it is to simply transfer the funds from checking to credit card account on either my credit union's app or online site when paying on my credit union-issued credit card.

In fact, my credit union does not even offer that most basic of functionalities. After trying unsuccessfully to pay my credit union credit card online and through the app, I finally gave up. Yes, I've called member service. The reps have consistently known less than I do about their own gear. And I'm not talking about code here. Just functionality that any digital native would fully expect them to offer and understand.

I like to actively manage my accounts, but I've reverted to waiting for bills in the mail and writing checks made payable to a generic entity titled something like "Card Services Inc."

I understand my credit union uses a third-party provider, but it has done nothing to make the member experience seamless, much less white-label it. That can be off-putting to members who aren't in the biz, so to speak.

Even more problematic, I know who my credit union's card and core processors are, and I know those platforms can do much more. For example, a couple years ago, a branch manager told me I couldn't make my car loan payment in advance online because "IT hadn't turned that on yet." Months later, it still wasn't on.

So why am I writing this? Because I'm also a stakeholder in our industry. I make my living in it, I participate in it, and I believe in its principles.

Most people don't care who provides the technology. That's rightly irrelevant to the member. The service is what matters. I wonder why so many members put up with these shortfalls at my credit union — and the others I've been through. How long before these members, too, become customers at some big bank?

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James Conroy

10/29/2015 08:49 PM

Marc, you are acting like a customer, not a member. You OWN that credit union. If one of your kids fails to meet expectations, do you say, "Oh, well, I will start supporting the kid down the block. He's an academic/athletic/whatever star." Or do you roll up your sleeves and use your parental expertise, love and concern to effect change? Stop being a C U customer, and start being a member.

## Reply

David Murphy 10/29/2015 02:29 PM

For me, this article brings to mind a bigger question: is it an issue that our members are using the big players for their credit card access? As the old saying goes, you can't be everything to everyone. If we try to promote financial literacy to our members, and we promote products that truly will benefit our members' lives, is it an issue that collectively as an industry, we don't push the biggest and best credit card with the most rewards? Speaking from personal experience, credit cards can ultimately cost me more in the long run than the rewards that I reap from using them, and it's easy to fall into the overspending trap that credit cards enable. If credit unions take the stance that we want members to be responsible with their funds and to not overspend and to build up a savings cushion, maybe credit unions are taking the financial high road in not dumping a huge portion of capital and manpower into peddling a high performance credit card portfolio that may not be best for our members. Would our members rather have a robust credit card portfolio, but not have access to some of the newer technological advances available, like mobile banking, bill pay, and online banking, because the credit union decided to allocate resources in this way? Would they rather pay higher rates for their vehicle loans because the credit union is losing money on their credit card portfolio? If everyone used credit cards responsibly for the rewards, then the program would hardly be profitable, if at all. These programs rely on ease of access to credit which leads to overspending and the never ending cycle of interest charges, late payments due to irresponsibility, both of which are not good for our members, and on interchange. Let the big players take the heat for mismanaged credit card portfolios and poor customer service. Credit unions will continue to play a vital role in the financial lives of their members, with or without a high performing rewards credit card.

Reply

Marc Rapport 10/29/2015 8:08:25 PM Thanks for taking the time to present such an on-point counterpoint! Really appreciate that.

Joe Winn (Credit Union Geek) 10/29/2015 01:30 PM

Well put, Marc. I've been writing on the precipice of this idea for a while now, with a current series on my blog discussing the technology side of it. You highlighted the issue beautifully...you're a loyal member of the credit union, yet are actively avoiding its services (and thus, they are losing out on the revenues associated). I'll admit, I'm in the same boat, and it really hit home when you explained how it was easier to pay your credit card through the bank app \*from\* your credit union account - I do the same thing! When I read about what some credit unions are doing with the latest tech from their core provider, I am impressed, as it meets or exceeds that from the big banks. It just shows the possibility is there. It needs to become priority for all credit unions, before their members become just dormant accounts, or as I put it recently, using internet parlance, "A Dumb Bank".

Reply

Marc Rapport 10/29/2015 6:34:19 PM

> Thanks, Joe, I really appreciate you taking the time to reply. I really do hope credit unions in that situation either work with their vendors or their own operations or both to close that functionality gap!

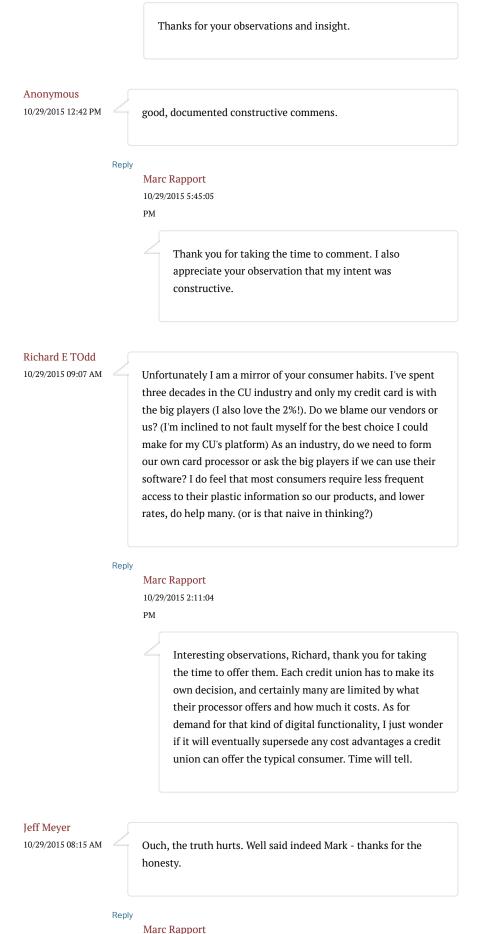
## Anonymous

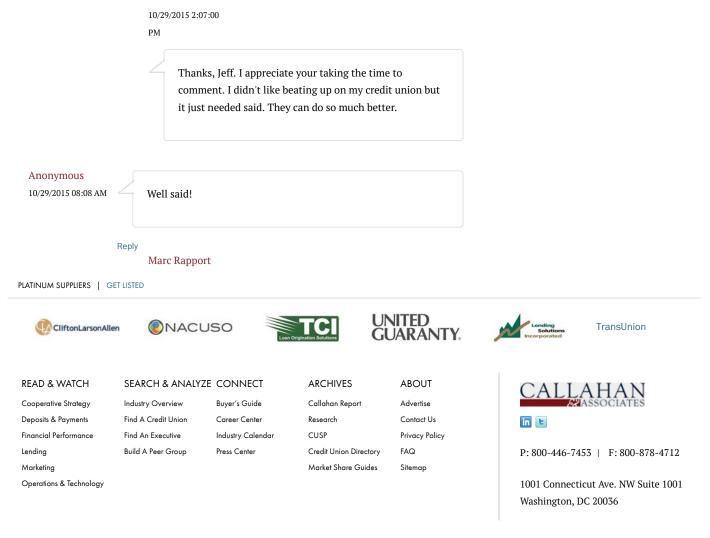
10/29/2015 01:22 PM

When it comes to Credit Cards can CU's compete on price in a rewards atmosphere? While we may offer the best interest rates, for card holders who don't carry a balance, rate is irrelevant. If we choose to compete on service then we need to ensure that our credit card is easy to use, monitor and pay. Well said I too am concerned that our offerings are falling so far behind they are irrelevant to consumers, unless of course they are carrying a high balance on their credit card...

Reply

Marc Rapport 10/29/2015 6:29:02 PM





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