



Business challenge

Crédit Mutuel Arkéa was operating multiple systems to manage customer identification to support know your customer (KYC) compliance. The bank wanted to create a single, cross-business KYC platform.

Transformation

With help from IBM, Crédit Mutuel Arkéa used IBM Blockchain technology to create a functional pilot project that centralizes KYC information. The blockchain solution links the various systems of record, tracking the audit trail for each document from the moment the bank collects it.

Business benefits

Frees customers

from having to repeatedly produce the same documentation

Expands easily

from the pilot project to other business units

Creates a system of trust

so that customers can deliver proof of identity to third parties

Crédit Mutuel Arkéa

Building systems of trust with IBM Blockchain technology

Crédit Mutuel Arkéa comprises the Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and Crédit Mutuel Massif Central federations in addition to more than 20 specialized divisions covering numerous business lines in the financial arena. These divisions include Fortuneo Banque, Monext, Arkéa Banque Entreprises et Institutionnels, Financo, Federal Finance and Suravenir. Known for its entrepreneurial and open approach, the bank has nearly 9,000 employees, 3.6 million customers and EUR 110 billion in total assets.

“Blockchain is a transformative agent in our operational application, as proven by this project, the first of its kind in France.”

—Frédéric Laurent, Chief Operating Officer of Innovation and Operations, Crédit Mutuel Arkéa

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Eliminating duplicate efforts

Know your customer (KYC) processes are becoming increasingly important worldwide to prevent identity theft and fraud. With KYC, potential customers must provide proof of identity, such as a passport, and proof of residence, such as a utility bill.

Crédit Mutuel Arkéa had been operating multiple systems to manage customer identification for different parts of the business. A customer who provided identification to open a life insurance policy with Suravenir, for example, and would have to repeat

the process to do business with Financo, the group's consumer credit division.

The bank wanted to create a single, cross-business KYC platform that would provide a consolidated view of all identification documents collected by any entity of the Crédit Mutuel Arkéa group. It sought a solution that would reduce hassle for customers and improve customer satisfaction, while decreasing duplicate information and easing administrative effort in collecting and maintaining documentation required for KYC processes.

Pioneering with blockchain

With help from IBM, Crédit Mutuel Arkéa used IBM Blockchain technology to create a functional pilot project for the retail banking organization and its divisions. Crédit Mutuel Arkéa took advantage of IBM Design Thinking methodologies and the IBM Studio in Paris to outline the strategic imperatives of the project and create use cases. An IBM® Global Business Services® team contributed industry insight and conducted a feasibility study on the business impact of the prototype project and the potential for extending the prototype to other use cases.

The bank used IBM Bluemix® cloud infrastructure to develop the blockchain project. The Bluemix platform gives developers access to IBM Blockchain services and IBM DevOps Services on Bluemix for creating, deploying, running and monitoring blockchain applications on the IBM Cloud.

The Crédit Mutuel Arkéa blockchain application includes three layers: a user interface and a middle abstraction layer, both developed using JavaScript, and the actual blockchain code. The blockchain code is the same code that IBM recently contributed to the Hyperledger Fabric open source project.

After developing the application, Crédit Mutuel Arkéa imported anonymous customer data into the blockchain using the middle layer of the application. This successful import demonstrated that the bank could easily integrate the blockchain with its other systems. The blockchain could, for example, provide an audit trail for each document in the bank's existing CRM system and begin to track each document as soon as the bank receives it.

"Blockchain is a transformative agent in our operational application, as proven by this project, the first of its kind in France," says Frédéric

Laurent, the chief operating officer of innovation and operations for Crédit Mutuel Arkéa. "This pilot offers a complete view of customers' documents across our distributed network. The project helped us to understand and master blockchain for other client uses. Now, we are ready to incorporate this technology in our ecosystem."

Building systems of trust

The project at Crédit Mutuel Arkéa has demonstrated the enormous potential of IBM Blockchain technology. When it had separate

systems for each part of the business, the bank was duplicating effort and data. By creating a permissioned blockchain that collectively defines membership and data access rights, the bank can gather the KYC information once and then share it across divisions, significantly simplifying internal administrative KYC documentation processes. The blockchain platform also improves the customer experience by freeing people from having to repeatedly produce the same documentation when interacting with different parts of the group.

"The project helped us to understand and master blockchain for other customer uses," says Laurent. The bank envisions other innovative ways to use the IBM Blockchain platform.

"We are looking into ways to use the blockchain as a system of trust that would let customers deliver proof of identity to third parties, such as utility companies, retailers or service providers. The potential of this solution is just staggering," says Laurent.

Solution components

- IBM® Blockchain
- IBM Bluemix®
- IBM DevOps
- IBM Global Business Services® – Management Consulting

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