



# LIBOR LOANS AND THEIR FUTURE ONLINE: A USER-CENTRIC SYNERGY

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# Moving loan application processes online through user centred design

## Background

LIBOR is a benchmark rate that represents the interest rate at which banks offer to lend funds to one another in the international interbank market for short-term loans. It stands for London Interbank Offered Rate and serves as the first step to calculating interest rates on various loans throughout the world.

The current application process for LIBOR loans is a "very archaic" process and involves a lot of physical paperwork between lawyers, the bank and the companies involved. The process of a loan application is lengthy but once agreed, accessing the facility is a relatively straightforward process.

Currently, a business bank customer will most likely get in touch with their relationship manager for every single step of the way – from the initial application to verification, to sending in documents, to drawing down once the loan is agreed, to requesting confirmations of requests along the way and so it goes on. These are costly and time-consuming contact methods for both the bank and the business customer. This is where there is a clear *quick win* to move this "relatively straightforward" process online.

## Brief

LIBOR loans, like mortgages, require lots of paperwork and the traditional process to apply for LIBOR loans feels like it is stuck in the dark ages. Our client wanted to initially explore moving the process online, once a LIBOR loan had been approved, rather than the full end to end process, which contains huge complexity and regulatory challenges. They wanted us to explore prototypes of how this could work online, testing in detail over several rounds with existing customers, to take their feedback with the aim of developing a fully working online solution.

## Methodology

Finding participants who deal with a niche financial product like LIBOR loans was not easy as people who know this loan product inside out and deal with LIBOR loans on a daily basis as part of their demanding jobs, are few and far between. However, using our extensive network we were able to recruit well qualified participants who gave us excellent live feedback, offering their unique insight into their business processes.

It soon became clear that other key stakeholders around the business frequently relied on our participants to churn out



important monthly / quarterly business reports. The objective of our global bank (UK based) was two-fold: to validate the online proposition (Minimum Viable Product) and to evaluate the wireframes for usability, language and whether the proposition was intuitive and satisfying. Identifying the user's priorities was a nice to have at this stage.

## Insights

The jargon used is niche, as historically the bank has determined what certain elements are named. There is a lot of terminology used to describe types of loans, rates and facilities, so basic tooltips are an essential UI requirement. Integration with their existing online banking tool was also important for every participant. The thought of having yet another log-in was terrifying!

However, the need for extra authorisation levels was even more pivotal to them. Users expect to be able to self-serve in a secure online banking environment: they expect to view, transact and filter/sort their loans to facilitate the daily needs for internal auditing purposes.

*"Being able to do it online would be fantastic – as long as it is secure "*

Our participants were more than ready to make the shift online! Expectations to speed up applications and drawdowns are high. From research, it became clear

## Quick Facts

Niche financial product

Usability evaluation of prototype

Business banking customers want live chat

that the business banking customer wants Live Chat as well as keeping their direct line into the relationship manager, but more importantly they don't want to reduce service requests that can be done and approved online, like applying for an additional loan facility.

After seeing their feedback incorporated in the following rounds of user testing, our participants felt even more involved. They had an immediate admiration for their global banking brand and felt valued to be their business banking customer.

Together, we created a clear dashboard overview. This formed the starting point in the journey; the dashboard was both engaging and informative, highlighting key information on loans, interest rates, fees and other loan metrics in an instant.

This semi-customisable dashboard, adding interest and fee calculators as well as colourful infographics to show the customer the financial state of the business at a glance, was greatly received in consecutive rounds of testing. It met the client's objectives to be 'intuitive and satisfying', all in all highlighting the true importance of user insight!

## **We can help you too!**

**If you would like to talk to us about our previous UX experience in business banking, complex loan applications or your user testing requirements for your new banking processes or apps, please get in touch at:**

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