



The Legal Services Board now offers its customers 24-hour access to trust account transfers as well as improved data management and communication with members, having used Commonwealth Bank's technical solution consultants to create a new banking portal – LSB Online.

Case Study: Victoria's Legal Services Board takes banking services online, giving lawyers all-hours access to fund transfers

Background

Victoria's Legal Services Board (LSB) is an independent statutory authority responsible for regulating the state's legal profession. Formed in December 2005 under the Legal Profession Act 2004 (Vic), the LSB's responsibilities include regulating the legal profession and policing the management of trust accounts. The Act lays out strict requirements for how legal practitioners handle clients' money, and a specific amount of trust account funds must be deposited each quarter into a statutory deposit account controlled by the LSB. These monies are repayable to the law firm on demand.

Challenge

In 2013 the LSB's contract with its existing banking provider of 15 years came up for renewal. Commonwealth Bank won the new tender by offering a fresh approach for how the LSB should manage and oversee trust and statutory deposit accounts, both of which are regulated by the Act.

About 1,800 legal practices in Victoria are currently required to maintain a trust account with the bank of their choice and a statutory deposit account with LSB's chosen banker. Each quarter these practices must transfer an amount of

money – specified by a formula detailed in the Act – out of their trust fund accounts into the statutory deposit account managed by the LSB. Failure to do so can result in charges of unsatisfactory conduct or misconduct.

Until Commonwealth Bank took over the banking business, these funds were transferred between the practitioner's trust and statutory deposit accounts either by direct EFT transfer or over the phone (via the Board's banker). The process could also require LSB representatives to send emails and faxes, and complete other labour-intensive tasks.

"It was all manual," says Ursula Mooney, LSB's Manager, Practitioner Information.

"Solicitors had to speak to someone from the bank and quote an algorithm. If they weren't aware of the algorithm they would have to contact the Board and fax or email a request on their letterhead. We would then prepare a manual form."

It was a time-consuming process for law firms and the LSB alike; Mooney says it could take her team about an hour to complete one transfer.



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Ron Holmes, Commonwealth Bank

Solution

Commonwealth Bank immediately saw the solution: its technology consultants would help the LSB create its own online banking platform, using the Board's detailed understanding of its clients' needs in combination with the Commonwealth Bank's expertise and practical knowledge of internet banking and customer experience.

“We consulted with them – at no charge – about the design, the information technology solution and the customer-centric data,” says Ron Holmes, Commonwealth Bank Executive Director, Client Consulting Transaction Banking Solutions.

“We know what customers generally want because we have done this kind of work so many times before, but not everyone knows exactly what they need to build. Our approach saved time and money and the LSB is very happy.”

This was the first time Commonwealth Bank had given a technical solution to a client by consulting on how to build an online payment-processing platform. Usually the Commonwealth Bank is either building new platforms for its own internal businesses, or allowing clients to use its IT platform to launch their own product.

It took six months to switch from the old manual banking system and existing provider to LSB Online, the new members-only portal. Of that time, one month was spent on design (including the user interface and data handling processes), followed by one month of solutions and infrastructure design (which included selecting hardware and security solutions). It then took three months to code and build the platform, followed by a month of testing.

The result was a seamless transition to the new system.

“It was a very smooth implementation,” says Mooney. “Any issues that arose we were able to quickly address by working with the Commonwealth Bank staff.”

Not only was the transition managed smoothly, but the adoption rate was enforced 100 percent.

“We made it mandatory, so we had a two-week grace period where we assisted practitioners with their transfers. They would go online and we would help them,” says Mooney. “Now we have about eight transfers per day and hardly hear from any of them.”

LSB Online has been a big success with the LSB, although Mooney admits there was some initial apprehension because it was such a radical change from the previous banking process.

“It was a risk for us because if it failed, we didn't know what we would do. But we have seen huge benefits from this new product,” says Mooney. “These include time savings for us, for the Board and for the practitioners.

“Now that it's online the solicitors can access it 24/7 and do it all at their own leisure and don't need us, or Commonwealth Bank staff to be on hand in order to do a transfer,” according to Mooney.

Mooney was particularly impressed with the Commonwealth Bank's consultative approach and structured rollout of the technology.

“We could not have got this product off the ground without them,” she says. “Commonwealth Bank worked so closely with us. Ron worked with our consultants and provided us with guidance. He assisted from start to finish.”

The Client

Victoria's Legal Services Board (LSB) is an independent statutory authority responsible for regulating the state's legal profession, including policing adequate management of trust accounts. The Legal Profession Act 2004 (Vic) imposes strict requirements for lawyers handling clients' money. Each quarter, practices with trust accounts must deposit a specific amount of money from those regulated accounts into a statutory deposit account controlled by the LSB. That money is repayable on demand, so the LSB's accounts must be kept up-to-date at all times.

The Solution

Commonwealth Bank's technology consultants helped the LSB create an online banking platform (LSB Online) using the Board's understanding about its legal clients' needs, combined with the Commonwealth Bank's knowledge of what customers want and demand from internet banking. It was the first time the Commonwealth Bank had consulted a client on the build of an online payment-processing platform.

The Results

The new online platform means that law firms can handle unassisted transfers that used to take the LSB about an hour to complete. This means staff can spend their time on more business-critical work. LSB Online also means law firms now have 24/7 access to a portal they can use to transfer funds and readily access their financial information.

“We have seen huge benefits from this new product... solicitors can access it 24/7 and do it all at their own leisure.”

Ursula Mooney, Legal Services Board

Benefits

LSB Online offers a number of service improvements to its customers as well as its internal teams.

Scalability

Law firms of all types and sizes, ranging from large Melbourne-based organisations to suburban single practitioners, have readily accepted the new technology.

“It ranges from young city-based solicitors with support staff to suburban solicitors without anyone to help,” says Mooney. “The profile of the profession is quite diverse. Some are young and some older. They are all using the online portal.”

Improved customer experience and data handling

Given the diversity of users, the Commonwealth Bank knew it was critical that the technology was easy to use without sacrificing any functionalities.

“A large law firm might have administration people using the portal. In a small law firm it will be someone different, from across a variety of ages, so it had to be simple enough for anyone to use but robust enough that the customers know it is safe,” says Brad Gofman, Commonwealth Bank Senior Associate - Transaction Banking Solutions.

“From a customer service point of view it is the most up-to-date and on-trend method of payment,” Gofman says.

Apart from offering an improved customer service experience, the online portal also means the LSB's data collection is more thorough and transaction information can easily be collated into various reports.



Cost savings

The new online portal means law firms can directly handle transfers that used to take the LSB team up to an hour to complete. Transaction processing time has dropped from around an hour of phone and fax interaction to about two minutes – a thirty-fold improvement. This means LSB staff can spend their time on business-critical work.

The system averages eight fully automated transactions per day, with transaction values ranging from \$15,000 to \$3,000,000. “We might get one call per day at most now, and we just walk them through the online service,” says Mooney, who adds that the law firms are happier too. “They have said how easy the system is to use. Previously they had to rely on us to process the payments for them.”

Future plans

Apart from developing LSB Online, Commonwealth Bank has been working to improve the technology used in other parts of the business.

“We looked at it when we started and realised banking hasn’t been done like this for a long time,” says Gofman. “In our world of banking and technology we can do better than that.”

An example of this continued effort is SmartPortal, a newly created internal workflow management tool provided by Commonwealth Bank. The LSB keeps records for all its lawyers and uses SmartPortal to manage and communicate information such as whether a practitioner needs a new statutory deposit account – which can then be updated through SmartPortal.

Given the successful consultation process in creating LSB Online, the Bank now plans to offer technical consultants to other clients. The process allows the Bank to harness its strong technical capabilities in banking, while incorporating the client’s own views of its customers.

Further Information

For further information, call your Relationship Executive or visit commbank.com.au/corporate/solutions/working-capital.html

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