

First Tech Automates Member Dispute Process, Accelerating Resolution Time and Enhancing Member Experience

CLIENT PROFILE

Financial Institution: First Technology Federal Credit Union

Quavo Solution(s): QFD™ Automated Dispute Management Software

BUSINESS

First Technology Federal Credit Union is a \$12+ billion credit union headquartered in San Jose, California, serving the world's leading technology-oriented companies and their employees, including HP Inc., Hewlett Packard Enterprise, Microsoft, Agilent, Intel, Cisco, Amazon, Nike, Intuit, Google, and others. With more than 560,000 members, First Tech offers a full range of financial services, including traditional banking, online banking, mortgages, financial planning, consumer loans, and insurance services.

CHALLENGE

Manual process for dispute management lacked visibility and control, which caused extended resolution times and risked losing cases, resulting in a less than ideal member experience and making it difficult to ensure compliance with regulatory requirements.

SOLUTION

Deploy the QFD™ application built on the Pega Platform, providing an out-of-the-box solution to automate member dispute resolution from end to end.

RESULTS

- Reduced dispute resolution time from 80+ days to less than 30 days, enhancing member experience and ensuring regulatory compliance
- Improved member communications, building confidence in First Tech as credit union of choice
- Supported 40% increase in dispute volume with no need for additional staff
- Eliminated manual copying and pasting of content from one source to another, improving internal associates job satisfaction
- Fully automated low-dollar dispute resolution, providing members with an immediate response instead of long wait times
- Provided a single platform for integrating dispute resolution process and chargeback directly to Mastercard

Success Story: First Technology Federal Credit Union

People in the technology industry are driven by a passion for innovation, and they expect nothing less from their financial institution. First Technology Federal Credit Union (First Tech) understands this first hand. The company was founded more than half a century ago by a handful of technologists from Hewlett-Packard and Tektronix with a vision that today has become the nation's premier credit union for tech companies, recognized as the industry catalyst for delivering effortless banking.

First Tech is continually working to enhance the member experience, even when something goes wrong. As with any financial institution, First Tech members can be victims of fraud. A variety of incidents can occur involving card transactions: an inaccurate charge by a merchant or an ATM that fails to dispense the requested cash.

Whether fraud or transaction errors, members expect the dispute to be resolved promptly and accurately. That's where First Tech's Senior Director of Card Services, Aime Orozco, and her team step in. "When members have a dispute, those are moments that truly matter. How we as a business handle those moments sets the tone for the way members feel they're being cared for. It's our challenge to turn that negative situation into a positive experience."

CHALLENGE

Manual Processes and Limited Visibility

Traditionally, the Card Services team managed member disputes using spreadsheets and an online document management system to store information and data related to the dispute, copied and pasted from the original source. Messages about a dispute, submitted by members through First Tech's online banking messaging system, were also stored in the document management system. However, as the credit union grew, this manual process for handling disputes was no longer sustainable.

"We didn't have good visibility or insight into the volumes of disputes coming in, or if we were meeting regulatory requirements around the dispute function," says Orozco. "Because of the highly manual process, cases could be lost if they weren't properly inputted into the system. That was a major problem. It increased the risk of not meeting regulatory timelines for resolving disputes. We also recognized that members needed more streamlined communication for disputes and better transparency into the status of their cases. So we decided to look for a more automated case management system that would solve for our long-term growth."

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- Aime Orozco, Senior Director of Card Services
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END-TO-END SOLUTION

Orozco began looking for a new case management/business process management (BPM) platform, focusing on Pega as a leader in the industry. When discussing her specific needs for member dispute resolution, Pega introduced Orozco to Quavo, which offered a ready-made fraud and disputes application built on the Pega Platform.

Orozco was quickly sold. "The Quavo team stood out because of their level of experience in dispute processing. They have first-hand experience in the business, and built their solution based on their knowledge of the dispute process. I didn't have to teach them how the function worked, or the regulatory requirements around the function. They understood the direction I was headed in as a business owner because they already had a wealth of knowledge that was specific to the function. That was really appealing to me."

Another important factor, Orozco points out, was that Quavo offered an out-of-the-box solution built on the industry-leading Pega Platform that easily fit into their existing environment without the need for extensive customization. First Tech rolled out the QFD™ application from Quavo in just seven months.

"The Quavo team was extremely attentive and open and really great at partnering with us to make sure our business requirements were built out and that we could see them in action," Orozco says. "It was one of the smoothest go-lives we've had."

She adds, "I would attribute our smooth go-live to the Quavo team's depth of knowledge and their experience in development and support of the Pega Platform. Pega was brand new to our enterprise, so having Quavo on board to act as a guide for us led to a successful launch without any major disruption."

MASTERCARD INTEGRATIONS

First Tech partnered with the Quavo team to bring in additional automation for dispute processing directly with Mastercard, a strategic payments partner for the credit union. Quavo's partnership with First Tech laid the foundation for QFD's integration with Mastercard's API, a feature that is now available for all QFD clients. Other fraud and dispute management providers often require users to exit their platform in order to process the chargeback with Mastercard's debit or credit card systems. With QFD, users can manage and resolve disputes as well as process chargebacks directly with Mastercard, all within a single platform.

Orozco concludes, "What's been great about partnering with Quavo is their willingness to listen and respond to what's happening in our environment and changes in our needs. We're looking forward to continuing to develop and enhance our disputes management platform to make our process even more efficient for our members and associates."



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IMMEDIATE RESULTS

Enhanced Efficiency, Improved Member Service

Almost immediately, both members and internal associates saw an improvement in the way disputes are handled at First Tech. For example, when filing a dispute, members are now presented with a targeted set of questions. Instead of a generic question and response as in the past, the questions change dynamically based on the responses a member provides, which helps the internal team better understand the details of a dispute and gives the member a more interactive and satisfying online communication experience.

“Right out of the gate, the members commented on how different the experience was and how easy it was,” Orozco affirms. “In the past, the online messaging was very manual and clunky, and the members didn’t really know what was going on with their dispute.

Providing them immediate acknowledgment that we received their message gives them confidence that the issue is being addressed.”

First Tech’s internal associates also noticed a difference, with many previously manual tasks now automated by QFD, leveraging the Pega Platform. Instead of manually creating a case, then copying and pasting screenshots from one place to another, information required to handle a dispute is automatically pulled into a common platform to create and manage a case through resolution. This has dramatically improved resolution time, where cases that took upwards of 80 - 85 days to resolve previously are now typically resolved within 30 days.

Shrinking resolution time means fewer member complaints and less call volume into the contact center from members inquiring about the status of their disputes. It also provides Orozco and her team assurance of complying with regulatory requirements for resolving disputes within specified timeframes. Moreover, as membership has grown, the team has been able to absorb a 40% increase in dispute volume with no need for additional staff, thanks to automating the dispute management process.

In addition, with the automation enabled by QFD and the Pega Platform, First Tech has been able to change the way small-dollar disputes are processed. The credit union’s policy is that any dispute at or below a set monetary value is accepted and honored without further investigation. However, in the old manual process, members still had to wait for their low-dollar dispute to be resolved in the same queue as everyone else. Now, the QFD system automates low-dollar dispute resolution from end to end, adjusting member accounts and sending out letters with no human intervention required—and no more extended wait times for members.

Orozco says the improved efficiency and responsiveness in First Tech’s dispute resolution process translates to a better overall member experience. “It’s driving a higher level of confidence in our members that we’re providing modern, digitalized solutions fitting for companies and employees in the tech industry. That reinforces First Tech as their credit union of choice.”

For more information on Quavo and our fraud and dispute SaaS solutions, please visit quavo.com or email us at experts@quavo.com.