

Coronavirus and You

by Charles B. Wendel

This past Sunday I checked the websites of Bank Of America, Chase, Wells Fargo, US Bancorp, Capital One, Citibank, USAA, RBC, TD, and Truist to see if any of them had a comment on their opening webpage about the steps they were taking related to the Coronavirus. Unless I missed it, none of them had any comment. And, walking by and visiting bank branches last week, there was no signage, no recognition that a pandemic may be occurring, other than some additional bottles of Purell. Why Not?

While it is unlikely that anything a bank writes or does will impact the spread of the virus, I am certain legions of bank staff are spending time in endless meetings discussing what they should do in the event of the viruses spread. The issues being discussed rang from the critical (How might the virus impact loan portfolio quality? Could any funding be disrupted? Will branches be closed? What is cash is a disease transmitter? What do regulators expect us to do?) to the tactical (Will branches be cleaned more? Should people work at home?) And, just last week the FFIEC released a not very specific ten-page memo on planning for a pandemic.

Whether justified or not, the media has been effective in scaring much of the public, and social media has gone the extra step, fomenting panic, often of a silly nature. Yesterday I saw a young woman with a shopping cart bringing home two super-large packages of toilet paper.

All I am suggesting is that a bank should get in front of potential crisis and let their customers know their bank is prepared and that the customer's ability to access the bank will face little, if any disruption. Each bank needs to design its own approach, but, with apologies to my friends in PR, the following could be a start: A note prominently displayed on the front page of the website, on a placard near the entrance of each branch, and/or a page in a newspaper that states something like:

1. We are aware of concerns about the coronavirus
2. We are taking the following steps to prepare for/avoid its spread
 - a.
 - b.
 - c.
3. If we need to close branches or offices temporarily, our online capabilities can meet most of your needs. In addition, we will enhance our call centers and bankers will be available on their cell phones [Bankers should make sure customers have cell phone contacts]
4. If your cash flow is being temporarily hurt by this event, please reach out to us [Companies are already experiencing non-payments with the virus used as an excuse, whether justified or not]
5. We are working closely with the government/regulators to ensure as little disruption as possible
6. Please go to specific website for daily updates

This should be signed by the CEO or a person designated as the lead for dealing with this event.

Critically, some one in the bank needs to be in charge of pandemic preparation and have the authority to make decisions quickly. I would be willing to bet that one reason banks have not put messages on their websites is due to internal silos disagreeing on what the bank should say (if anything) as well as the approval steps required and technical challenges involved in changing the front page of the website quickly. If that is the case, processes need to be revisited.

I am fully aware that the situation maybe changing daily; customers know that too, but why not get in front of this event, rather than being pulled along??