

The End of an Affair (Business)

by Charles B. Wendel

I remember her today as if it was the day we met 30 years ago. Blond hair, blue eyes, great sense of humor, all-in-all adorable. We were both students in different schools at the same university. When I met her I thought she was the one, and we knitted together quickly.

Then, after a few months I was unable to reach her by phone. I would get her answering machine. No email, FaceTime, or Zoom back then. After ten days, she called. I was smart enough to know it would not be a happy call for me. I'd like to think I was dumped because she was a doctor and at that point, I was a graduate student in English with little career prospects. I would have been lucky to get a tenure track position anywhere in the US, instead most likely doomed to juggling part-time jobs at numerous second-tier schools. It did not matter why; I was sad.

Thirty years later I was saddened in a distinctly different way to receive a call from my accountant telling me he was retiring. For the past decade or more he guided me through many filings, making sure that I never crossed a line that would result in audit or fines. He offered advice concerning how to balance personal and business needs and prepare myself for late years. He is even the executor of my will.

I would also be sad if my insurance agent quit. I have known her for over 20 years, and she has helped me deal with personal tragedies and protect my family.

So too would I be sad if my investment advisor went away. I have had maybe five during my career, finally finding this person and his company through a reference from a trusted friend. My funds have been with him for six or more years with good, consistent results.

What's missing from this list of professionals whom I would regret losing? No banker. Whatever loans I have are zero interest loans made at point of sale. I took a car loan because the rate was less than 2%, and they financed everything, that is everything. My mortgage is with a Texas-based Credit Union I had never heard of, introduced by a mortgage banker.

My bank serves as a utility that I need for personal and business checking transactions. Up to now, I have been either too busy or lazy to move the account, and besides, despite all the PR promises, what would a different bank offer me other than, maybe, lower fees? That said, my bank's reliance on inertia cannot be a sustainable business strategy.

My most recent experience with my bank-owned credit card has been having my purchase rejected at a store two hours from my home address for fraud reasons. No call, just a rejection and a text sent later. No embarrassment to me because the merchant involved sees this all the time. But it is not a loyalty creating move on that crummy bank's part and, BTW, thank you American Express.

My retiring accountant acted with the professionalism I had come to respect and suggested three options for my consideration, promising to shepherd my transition to the next person, and making our breakup much easier to survive.

Of course an even worse situation than mine with the accountant was faced by a friend whose psychiatrist died. Now that's rejection.

But seriously... many banks have a fundamental problem they need to address. The drive to digital and many bank's increased reliance on the same type of data analytics result in making banks more, not less similar, and the kind of people that businessmen and women rely on are increasingly hard to find within the confines of a bank.

Bank management should strive to have bankers talked about in the same breath as the accountant, insurance agency, and investment advisor mentioned above. Too often, bank leaders delude themselves into believing their bankers are in the same league, but usually they are not.

FIC works with clients on these and related issues. Continued uncertainty means financial institutions need to focus on their future performance and growth as they manage current portfolios and changing customer expectations.