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BANKING

‘The bottom line is empathy’: BMO and SpringFour are changing what it means to bank on consumers’ financial progress

Faced with declining consumer health, is it possible to transform a bank’s role into an institution that provides assistance beyond checking accounts and credit cards? Social impact fintech SpringFour and BMO say yes. By transforming consumer interactions within critical banking touchpoints like collections, the partnership is changing how banks view customers and vice versa.

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17% of American households report being financially vulnerable, according to a [survey](#). This is a return to pre-pandemic levels of financial vulnerability, but since then, a lot has changed. Consumers are in [more debt now than before](#) the pandemic and prices have gone up, particularly food, severely impacting the [34 million people](#) (including 9 million children) that struggle with food insecurity.

Faced with declining consumer health, what can banks and fintechs do to prevent the situation from worsening? Is there a possibility to transform a bank's role into an institution that provides assistance beyond checking accounts and credit cards? With the help of the social impact fintech [SpringFour](#), banks like BMO say it's not only a social prerogative but a business one, as well.

SpringFour gathers and vets thousands of financial health resources in one place. It uses its proprietary technology to allow consumers to search and find programs and resources that can ease their financial burdens. The fintech's tool can be embedded into a bank's digital interface that allows searches for resources specific to a consumer's zip code, at no cost to the consumer. SpringFour's resource network includes programs for disaster relief, employment, down payment assistance, and food savings.

The fintech has done integrations with some of the biggest banks in the country, including Capital One, M&T Bank, and BMO, which first partnered with the fintech in 2017 and has continued that relationship. For BMO, this partnership is a part of how the bank envisions the role it plays in its consumers' lives.

"We're not in the business of collections. We're actually in the business of gathering information from a client, understanding what's going on in their lives and finding a solution for them," said Anuj Vohra, Head of North America Collections, B2C Operations at BMO Financial Group.



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Beyond collections: Changing the role of call centers

SpringFour's S4 pro solution allows call center agents to access the fintech's resource network and provide assistance while on call with customers. "When we talk to people, you'll be surprised by how much they open up to a stranger on a call, because they're really desperate to talk to somebody and explain to them what's going on in their lives. If a family or parents are dealing with a two year old child who's got a tumor in the brain, the last thing that they're thinking about is how they're going to pay for the mortgage," said Vohra.

Due to this, collections agents are no longer just making a call to ask after a missed payment, and they are able to offer the customer more than scary deadlines and warnings. "Nobody wakes up and thinks, today I'm deciding I'm not going to pay these bills. It's a hardship that causes it. Nobody benefits when a customer can't pay," said Rochelle Gorey, SpringFour Founder & CEO.

The most common type of referral that the bank does through SpringFour has to do with food savings. "People are thinking about where they're going to get the next meal from. When you have a bank that actually stands behind consumers, that's real financial progress. Now not only are we helping you manage your debt, but we are helping you manage how and where the next meal comes from," Vohra added.

One unexpected advantage of the implementation of this tool was the impact on customer service agents, who have to engage in many difficult conversations with customers who are already struggling. "One of the things we also heard from our call center agents was, it's not an easy role for them. Sometimes when you're talking to a client, and they genuinely don't know what to do, we have some internal solutions but sometimes that doesn't work, because the problems require resources outside the bank, and our agents don't have access to those resources. It can be a depressing job. They



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feel really positive after a call where they were actually able to help someone, this is why this partnership was a very good fit,” Vohra said.

On SpringFour’s end, the bulk of the work lies in ensuring their resource network is up to date, robust and all resources are verified. “We have a team that’s focused on researching, curating, and keeping all of our resources updated. Our clients trust us to deliver referrals to their customers, because they know our information is accurate,” Gorey said.

But a partnership, product, or technology integration cannot single-handedly resolve all consumers’ financial troubles. This is why banks generally take a broader approach to building their consumers’ financial health. And sometimes the answer can be laying the groundwork for socially-conscious businesses to find their footing. The SpringFour partnership, for instance, owes some of its success to the BMO’s FinTech Partnership program, which has now become BMO’s WMNfintech program, which focuses on women founders.

Beyond its commitment to fintechs, the bank has also built BMO EMpower 2.0, which is its \$40 billion Community Benefits Plan. Through this program, the bank has provided \$7.5 billion in lending to low-to-moderate income level homebuyers and communities of color. Recently, the bank completed its acquisition of Bank of the West, which means that it will now cater to even more people than before through its partnership with SpringFour.

According to Vohra, his collections team views payment scenarios by analyzing the willingness and capability of the consumer. These two metrics can be extended beyond payments, too. How banks approach building up consumer’s financial health is also a question of willingness and capability. Smaller banks may not have the financial capability to build out sprawling financial assistance programs, but the big banks sure do. The question, then, is one of willingness.