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## **The future's bright, the future's mobile...**

If you were to poll the general public into which industries were leading the way when it comes to exciting technology innovations, I wonder how high up the rankings the banking and financial sector would be?

The customer experience of branch-based banking hasn't dramatically changed in many years and although internet banking is becoming widely used and accepted, mobile technologies in the sector are still in their relative infancy. This does, however, promise to change over the years as mobile usage increases by the public, creating demand for the way in which consumers interact with their financial providers.

The Mobile Marketing Association and Lightspeed Partners released a study in January this year which calculated that 85.6 per cent of UK adult consumers are not currently using their mobiles to undertake any form of banking, however the research identified 23 per cent of consumers believe they would be using some form of mobile banking within the next 12 months.

To echo these findings, a new report that has just been published by industry analyst, Juniper Research, which forecasts that the number of mobile subscribers, globally, who use their phones for banking will exceed 400m by 2013, representing the phenomenal growth that is anticipated in this space.

I was interested in reading a news article recently regarding a frustrated bank customer in the US who decided to take the ability to interact with his bank, via his mobile, into his own hands. Having waited for JPMorgan Chase & Co to deliver a tool for his Android handset for some time, he decided to create his own mobile application that would allow him to view his balance, transfer funds and pay bills. After putting the app online, it has since become one of the top finance downloads for Androids with 5,000 people downloading the tool. This has led to him creating versions for at least three other financial institutions. Power to the people!

In reality, stringent regulations and associated risk means that technological advances of this nature will take time to be fully adopted into the UK's financial sector. Risk management is a key concern and so any new apps or services must not open banks up to any new threats or potential frauds. This too is a concern from consumers who are worried about security breaches that may expose their personal data, with 66 per cent stating that security was either a 'somewhat' or 'very important' consideration for them (as stated within the Mobile Marketing Association and Lightspeed study).

### **Emerging Technology for Professionals**

If we then look at how emerging technologies are supporting property and mortgage professionals in their daily roles, we are seeing IT create new efficiencies and cost-savings, as many tasks become more automated and manual reporting or data inputting is required less and less. The advent of the internet, email and remote working has seen many industries adapt their day to day approach as a result, and the mortgage sector is no exception.

If we take a step back and look at how a survey or mortgage valuation instruction was handled 25 years ago, it was a very different process to what you are familiar with now.

The work wasn't allocated automatically through panel managers as it is today. Previously, valuation surveyors received manual instructions from a lender via phone or fax. They would then travel to the property and manually write-up the report using a site notes template or would dictate the report over an audio tape.

Once completed, they would then jump back in the car to the office where they would telephone a number of estate agents in the area to receive comparable property values. Using this data, the report would be typed up, signed-off and returned to the lender, via the post, for use.

This was not only extremely time consuming, but labour intensive, open to inputting errors due to the duplication of effort and even liable to fraud, should any unscrupulous individual wish to manually alter the contents of the report before it was returned to the lender.

As the use of IT became mainstream, we created a technology hub that enabled instructions to be sent and returned automatically, either directly or via panel managers. The take-up of laptops and mobile computers meant surveyors could start completing reports using site note templates on the move. This then advanced to PDAs and tablet PCs, making mobile working more convenient, less cumbersome and much quicker.

The plethora of handheld devices and smart-phones now means we can access any information, at any time or place making mobile working even more convenient. The iPhone is leading the way in smart-phone innovation with many manufacturers creating competing handsets, including the Google's Nexus One and others.

The range of tasks that can be carried out on these devices appears to be almost endless. As we moved into 2010, it was announced that over 100,000 apps were now available for iPhone users to access, which when you consider the app store was only launched in mid 2008, it's pretty impressive to see the rate in which these have been produced.

We anticipate that productivity apps will support valuation surveyors in their daily roles, from helping them locate properties using 3D mapping and 'augmented reality' (which provides the user with information based on what is being shown through the device's camera), through to accessing comparable pricing data and other useful property data.

And, not to forget the Apple iPad, which recently launched with much noise and fanfare. We will undoubtedly see many new applications and web-based tools launched that will make it one of the must-have devices over the coming months.

As a result of such devices, the 'doorstep sign-off' for valuation surveyors has become a reality, meaning more instructions can be completed each day due to the efficiencies mobile working had created.

Not to mention the role Automated Valuation Models and online property comparable services have since played. Plus, the introduction of electronic sign off and feeds that put completed

reports directly into the lender's mortgage processing system has helped reduce potential fraud risks, by removing the ability to manually alter signed-off valuations.

### **Value-Added Innovations**

Technology has a significant role to play in today's mortgage valuation process, yet it is important to stress that it is an enabler and is not 'dumbing down' the surveyor's role, in fact it's quite the reverse. By utilising online services and mobile functionality, it provides the surveyor with additional due-diligence that greatly supports their job and gives them access to information that provides a clearer picture on the property in question.

Whilst on site, the surveyor today has the option to access land registry comparable data, price comparable information, environment reports, neighbourhood data, energy reports and more. This means surveyors are the 'eyes and ears' of the transaction – they are able to review such information, whilst on site, which supports them in providing a representative value on the property on which the lender can make an informed mortgage offer.

Ultimately, emerging mobile technologies will greatly support the mortgage valuation process. The business benefits of being able to access property related information from any device, location and at any time will support surveyors no end, and this in turn will streamline the valuation process further still.

Perhaps if we undertake a poll with consumers in a few years time, who knows, our sector might be outshining the rest when it comes to innovation.

### **Box-Out 1:**

#### **Tomorrow's World...**

Consumers interaction with financial institutions could be dramatically different in five to ten years time as a result of emerging technologies. We have done some crystal-ball gazing to predict what we believe may be a reality over the next decade:

- Account Administration: at any time, consumers will be able to check their bank balance, order credit cards, pay bills or transfer funds via their mobile devices – whether via texting or using mobile internet or an app.

- Payments on the Move: the convenience of being able to pay for goods using a mobile device will be welcomed. Similar to the touch technology that you see today in the London Underground's Oyster cards, people will be able to use their phone as a payment device at retail outlets by simply scanning their mobile device.
- Quick Money Transfer: need to pay a friend back for some money you borrowed last month? Perhaps we will simply be able to 'bluetooth' money from one mobile to another, in just a few clicks.

### **Q&A Box-Out 2**

Q: How do you believe technology will continue to add-value to the surveying process in terms of efficiency and due diligence?

***Richard Sexton, Director, Business Development – e.surv:***

"e.surv built its reputation in part on technical innovation- we were the first firm to accept instructions via the internet- which may seem somewhat trivial today, but was truly groundbreaking at the time.

Going forwards, there is no doubt that Technology is key for us, crucially not as a replacement for the expert opinion that valuers provide , but as a tool to enhance advice and further increase the efficiency with which we deliver it. As the market recovers, lenders will expect ever faster processing. Mobile hand held devices will feature more prominently where appropriate to provide 'door step' delivery.

Valuers are also likely to capture more data on site, be that through creation of instant floor plans via graphic software or through interactive images which clients can browse through a menu system to examine highlighted issues. Technology such as Quest will also help valuers introduce additional layers of audit and risk management both internally and for our clients. For us investment in technology is a fundamental assumption if we are to evolve our business."

***Jack Saxton, Head of Surveying, Lloyds Banking Group, Colleys:***

“Colleys is the largest valuation and surveying company of its kind in the UK. We're always looking at how we can evolve to make sure that we are at the forefront of technology and ahead of our competitors.

As property experts we've made a number of key changes over the years to stay ahead of the game, from changing our surveyors to home based instead of office based and most recently we've launched our new website. Making these changes help to ensure we provide our customers with the level of products and service they expect and deserve.

We recognise and understand the importance of technology to both consumers and brokers and continually work with our surveying solution partners to understand what technology improvements we can make. We will continually look at and assess systems that can help make mortgage lending as safe as possible.

We understand that a surveyor carrying out a mortgage valuation is always going to be the surest way to determine value but technology will play an increasing role in assisting them and lender in the future.”

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