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TABLE OF CONTENTS

WHEN BANKS LOSE THEIR HUMAN TOUCH

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The rise of digital banking has marked a significant shift in how financial institutions engage with their customers. Driven by the demand for faster and more convenient services—accelerated further by the COVID-19 pandemic—banks have increasingly adopted mobile platforms, online loan applications, and AI-driven financial tools. These innovations have introduced remarkable efficiencies, cost savings, and broader accessibility. However, this digital transformation also comes at a cost, with the gradual erosion of personalised, face-to-face banking services. The warm, relational environment that once defined traditional banking is fading. Gone are the days when customers visited banks not only to transact but also to chat, share stories about their families, or simply enjoy casual interactions with trusted staff. Today, banking often means business; quick, transactional, and impersonal.

This transformation raises important questions regarding the emotional and relational aspects of customer engagement. Banking is not just about numbers; it is about relationships, trust, and confidence. While digital tools offer speed and convenience, they often lack the empathy and contextual understanding that human staff can provide, particularly in emotionally complex situations such as financial stress, hardship, or when trust and reassurance are paramount (Deloitte, 2023). Not all customer segments benefit equally from the digital shift. For vulnerable groups, human touch is not merely a preference but also a lifeline. These groups include the elderly, who may struggle with digital literacy or lack confidence in using new technology; low-income individuals without access to smartphones or stable internet connections; and people with disabilities, who face barriers from poorly designed digital interfaces that fail to meet accessibility standards. Additionally, those in rural or remote areas often face inadequate digital infrastructure, while financially marginalised individuals, such as those with limited documentation or poor credit histories, depend heavily on human interaction for guidance, support, and trust-building.

For these individuals, digital-only banking can be alienating and exclusionary. The lack of empathetic, personalised service risks deepening the digital divide and reinforcing existing economic inequalities. When digital systems replace human interactions without offering adequate support, vulnerable customers are at risk of being left behind. Despite these challenges, the benefits of digital transformation are undeniable. Thus, banks must strike a balance in ensuring fair and inclusive access to financial services. Reimagining banking as both high-tech and high-human touch is not just a strategic imperative, it is a moral one. Financial institutions must uphold their role not only as economic facilitators but also as trusted partners in their customers' financial well-being.

Ultimately, the future of banking lies in blending technological advancement with human empathy. Only then can banks truly serve all customers efficiently, inclusively, and with care.

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