KPMG Microsoft

Reimagining customer experience in financial services

How AI-powered contact-center transformation helps drive customer loyalty.



When excellence becomes the expectation

Today's financial services customers expect experiences that understand their context, anticipate their needs, and deliver outcomes efficiently. Yet, while customer expectations keep going up, many banks and insurers remain constrained by legacy systems that fragment data. This can prevent the unified, AI-enabled customer view essential for modern service delivery, creating friction where intelligent, adaptive interactions should flourish.

"Insurers have a tremendous opportunity to re-imagine how customers experience their organization by embracing AI-powered CCaaS, shifting from fragmented interactions to more seamless, intuitive, and value-add experiences across the customer journey."

Dr. Frank Pfaffenzeller,
Global Head of Insurance, KPMG International

Forrester's 2025 Contact-Center-as-a-Service Wave (CCaaS) highlights significant limitations in current CCaaS platforms that impact customer-experience (CX) quality, agent productivity, and AI-led transformation.[4] The competitive implications are particularly stark in insurance, where only 13% of organizations currently prioritize customer experience improvements.[5]

Where the expectation meets limitations

Industry research reveals that advancing digital connectivity is a strategically vital, operational priority for many banks:

80%

of survey respondents believe embracing AI will develop competitive advantage and **62%** expect moderate to very high ROI from AI investments.[1]

8%

Just **8%** of financial-services firms surveyed rate their data and analytics capabilities as highly mature today, yet 62% expect to reach that level within a year.[2] This gap between current maturity and near-term ambition highlights a critical data readiness challenge for AI-led transformation.

42%

While **42%** of banking executives surveyed prioritize enhancing CX,[3] their fragmented systems cause practical challenges that can directly affect customer relationships. When representatives lack complete relationship context, routine interactions can become missed opportunities for creating value. Channel inconsistencies across digital platforms, phone support, and branch locations can undermine customer confidence and erode trust built over years of relationship building.

The hidden costs of these limitations

The consequences of inadequate contact-center capabilities can extend beyond individual interactions; they can cascade across the business. Forrester's research identifies poor CX as the main outcome of CCaaS limitations, noting that restricted systems hinder effective customer-journey management.[6] When organizations focus too heavily on cutting costs, such as by replacing human interactions with chatbots designed for simpler tasks, they may achieve short-term savings but risk long-term loyalty and revenue.

Complex systems and limited access to information can also reduce employee productivity, creating frustration for both customers and service teams. These inefficiencies can lengthen onboarding, increase training costs, and often lead banks and insurers to hire more staff or deploy quick-fix chatbots that can compromise service quality. What's more, maintaining outdated or highly customized systems demands significant time and investment. Performance issues and downtime can stop representatives from solving customer problems, directly affecting growth objectives.

The opportunity for banks and insurers that act decisively to differentiate through superior service delivery is clear.

AI as a catalyst for contact-center evolution

AI is demonstrating business value across contact centers, helping to address the core challenges that have long constrained performance. Banks and insurers are moving beyond experimentation to deploy AI capabilities that can transform daily operations and customer interactions.



Automated call summaries

Requiring minimal contact-center changes while eliminating mundane tasks, AI-generated summaries can provide clearer, more useful documentation than human-created versions. In mortgage and lending, AI-assisted processing can generate proactive updates while loan officers focus on building relationships rather than coordinating admin. In insurance operations, clearer documentation can speed up straightforward claims.



Intelligent responses

Retrieval-augmented generation can find answers in trusted datasets, automating responses to infrequent questions and providing representatives with fast, accurate answers.



Real-time agent help

AI agent can monitor customer sentiment and advise representatives about what to do next, such as offering suggestions to frustrated customers or escalating complex issues in the best way.



Advanced analytics and insights

AI can be used for customer-service reporting and analysis, analyzing call and chat transcriptions to produce data-driven insights for enhancing operations and performance.

According to the KPMG 2025 Global CEO Outlook, over seven in ten CEOs surveyed (71%) say that AI is a top investment priority, a significant increase from a year ago (64%), and over two-thirds (69%) are allocating 10–20% of their budget on AI spending.[7]

These applications share a common thread: they can augment human capability rather than replace it, supporting a shift from reactive service to proactive, human-centered journeys.

Agentic AI: Orchestrating the next era of customer experience

For further real-world implications, banks and insurers can look at what AI should do, not just what it can do. Three types of agents are starting to reshape how organizations deliver service.

1

Knowledge-management agents empower customers and frontline staff with prompt, contextual answers, helping to reduce frustration and resolution time. Rather than searching through multiple systems, representatives can get the information they need, as and when they need it. In insurance operations, AI can analyze claim details against historical patterns, flagging complexities for special attention. In policy management, representatives can access comprehensive customer profiles, including life events, claim history, and coverage analysis, to provide guidance that can strengthen relationships while enhancing protection.

2

Case-management agents streamline operations by prioritizing, routing, and automating workflows. Complex issues can move efficiently between digital and human touchpoints based on customer need, not system limitations. In mortgage and lending, intelligent workflow management can track applications through every stage while automating status updates and communication, helping to improve efficiency and customer satisfaction. AI-powered insights can identify opportunities for financial wellness conversations or product recommendations based on spending patterns and life-stage indicators.

3

In retail banking, **intent agents** can interpret what customers are trying to accomplish as well as what they say, enabling personalized service and proactive intervention before problems escalate. In commercial banking, sophisticated support systems that understand industry challenges and cash-flow cycles can enable more strategic client relationships.



Together, these agents form a connected ecosystem that can help reduce friction, elevate service quality, and create experiences where customers feel understood, supported, and valued—all while organizations can gain efficiency, foster loyalty, and achieve sustainable growth.

An orchestrated approach also enables more effective self-service for simple needs, allowing agents to focus on complex or high-value interactions. With platforms that seamlessly connect digital and voice channels, brands can recognize and support customers wherever they engage.

The recipe for AI-native customer experience

Becoming a pioneer bank demands more than small fixes: it requires a bold reimagining of work itself. By empowering employees with AI agents, organizations can support proactive decision-making. By embedding them into business processes, they can achieve precision and scale. Service becomes anticipatory. Employees are empowered. Through this transformation, banks and insurers can unlock new dimensions of resilience, efficiency, and growth.

KPMG's approach to contact-center transformation recognizes that technology alone cannot deliver these outcomes. We believe that success requires a methodology that addresses strategy, technology, people, and process together.

The contact center stands as a first frontier of agentic transformation, where AI assistants can turn staff into strategic advisors while agentic AI can orchestrate knowledge, intent, and case management with minimal friction.

Five steps to intelligent modernization

With KPMG and Microsoft, intelligent modernization can build capability and confidence while keeping services running smoothly. This five-step approach can build the foundations for sustainable change, no matter where you are in your journey.

1 Assess

KPMG professionals assess what's working and what isn't, identifying barriers in customer journeys, and identifying quick wins alongside strategic priorities.

2–4 weeks

2 Pilot

KPMG professionals run pilots with select users to show that changes work and help you fine-tune your approach before rolling out more widely. Employees learn new skills and decision-makers gain confidence.

3 months

3 Build: Agentic-ready

Having prepared your people, CRM systems, and data, KPMG professionals can help you migrate your contact center to the platform with efficiency and limited disruption.

3–6 months

4 Transform: Agentic-enabled

Well-established frameworks help speed up transformation. Microsoft Copilot agents enable self-service. AI-driven analytics enhance operations. KPMG specialists can help you put in place guidelines for AI security and governance to help meet compliance and privacy obligations.

6–12 months

5 Run

Our managed services and ongoing support an help you to reap the benefits of platform upgrades and enhancements as your capabilities mature.

Ongoing

Each stage—from initial assessment to managed rollout and ongoing support—helps agencies avoid pitfalls like implementing technology without managing change, automating processes without considering service journeys, or investing in technology solutions that don't fit real needs.

Critical success factors for sustainable transformation

In conclusion, successful transformations treat the following factors as strategic imperatives, not technical requirements, helping to bring AI-powered capabilities, integrated data, and enhanced human expertise to the front line of customer success.

Composable architecture:

Banks and insurers need flexible, modular platforms that can adapt to changing customer needs and integrate with existing enterprise systems. This composability can enable incremental transformation while providing scalability for future growth. Rather than replacing entire systems, leading organizations build capabilities progressively, helping to reduce risk and accelerate time to value.

Data security and governance:

Robust data encryption, clear AI trust policies, and adherence to appropriate customer data protection standards are essential in financial services for protecting sensitive information while enabling personalization capabilities. As AI capabilities expand, governance becomes not just a compliance requirement but a competitive differentiator that can build customer trust.

Knowledge management excellence:

Since AI solutions rely on accurate data, banks and insurers should establish knowledge management strategies that are designed to ensure representatives have access to current, relevant information while maintaining system integrity and preventing AI hallucinations. The quality of knowledge management can directly determine the quality of CX; no amount of sophisticated AI can compensate for outdated or inaccurate information.



The strategic imperative: Acting with intelligence

Many financial-services organizations face an inflection point where customer expectations continue rising while competitive pressures intensify. The institutions that successfully integrate AI into their CX transformation are likely to define tomorrow's market leadership.

Success is not just technology adoption: it's strategic vision, careful implementation, and commitment to continuous improvement.

"Those that recognize AI as a strategic imperative are getting ahead on customer experience because they've grasped that AI isn't simply about automation—it's about service models: understanding and serving customers in new ways."

Geoff Rush, Global Sector Head,
Banking & Capital Markets, KPMG International

The time for incremental improvements has passed. The market demands intelligent modernization that can transform customer relationships fundamentally. When service interactions become relationship-building conversations supported by AI insights, customers can develop stronger loyalty and engagement with their financial institution. This emotional connection can translate directly into measurable business outcomes: helping to reduce churn, increase wallet share, and enhance lifetime value.

Financial institutions that embrace this transformation can capture competitive advantage and build the customer loyalty that helps drive long-term success.

Contact us today

KPMG Contact Center as a Service, enabled by Microsoft, is our intelligent modernization platform that can help bring AI-enabled digital agents, data, and people together at the front line of customer success. Its composable architecture is designed to provide the flexibility to embrace transformation at a scale and pace suitable for your organization's unique needs and constraints.

To discover how intelligent modernization can turn CX into a source of competitive advantage at your organization, get in touch.

[1] KPMG, Intelligent banking: A blueprint for creating value through AI-driven transformation, 2025, p.4

[2] Financial Services: KPMG Global tech report 2026

[3] KPMG, Intelligent banking: A blueprint for creating value through AI-driven transformation, 2025, p.4

[4] The Forrester Wave™: Contact-Center-As-A-Service Platforms, Q2 2025

[5] KPMG 2025 Insurance CEO Outlook, p10

[6] Forrester Consulting, A Recipe for Resilience in the Contact Center, p.9

[7] KPMG 2025 Global CEO Outlook

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