



by your feet now, when you are old and grey, you can
look back at the things you did do. So each among the
people

DIGITAL, HUMAN

Banking lacks engaging brands because it fails to look at itself from the outside, says Mark Mullen. Now the marketer turned CEO has left the bank often cited as the industry's only true brand – with ambitious plans to create one of his own. Arthur Allan reports.

Mark Mullen has something to get off his chest. He's not entirely happy with the coverage of his new banking venture.

Currently engaged in the regulatory approval process and yet to confirm a launch date, Atom has enjoyed lots of advance noise. It's the slant of some of that pre-publicity that Mullen has an issue with.

'It's been widely reported that we are a digital-only bank – almost as though this is some extreme version of banking,' he says.

'Atom certainly won't have branches. But I would describe it as digital-first, rather than digital-only.

'We have the opportunity to be an incredibly intimate and human bank. We believe we can do that rather better than building branches around the country.

'We're technologically driven, but we're still human beings. If we can do something well on digital, we will do it on digital. But we will have a UK contact centre too, so that customers can make contact directly if they have a query or concern.' ►

'IT TAKES QUITE A LONG TIME TO GO THROUGH THE REGULATORY PROCESS, AND TO BUILD A BANK.'

SPEED READ

- Atom will be a 'digital' and 'human' bank
- The bank will launch in 2015
- Huge opportunities for innovation
- More banks will be good for the customer



MARK MULLEN'S CAREER JOURNEY

- **1985-89:** Studied history at Trinity College, Dublin
- **1990:** Joined a financial leasing group in Birmingham, working in several of its businesses
- **2000:** Joined HSBC as a project manager for internet banking
- **2003-2011:** Filled marketing roles, ultimately as regional head of marketing for HSBC in the Middle East and North Africa
- **2011-2014:** CEO of first direct and head of UK contact centres for HSBC

► STEWARD ROLE

Mark knows a thing or two about customer-focused banks. His previous role was as CEO of first direct, which consistently topped the customer service league in UK banking.

While he insists he was merely a 'steward' of a bank that already had a strong record, Mark has told how he resisted internal attempts to install an IVR (interactive voice response) system for callers to first direct. It's safe to predict that callers to Atom won't have to navigate an irritating automated system either.

'At no point will I ever allow a bank to be created that puts technology between the brand and its customers,' Mark says.

'The technology now allows us to put a customer in touch with a customer agent seamlessly and beautifully – quite the opposite of being a remote bank.'

Contact centre or not, however, it seems clear that Atom customers' transactions – as opposed to queries – will all be handled online, taking advantage of the explosion in digital and, especially, mobile banking.

In that sense, it marks a complete shift in emphasis for Atom's co-founder and chairman, Anthony Thomson, who previously founded Metro – a bank that makes much of its growing network of 'stores', or branches.

Atom will be a full service bank, aiming to offer the complete set of personal and business banking. But Mark says the team has yet to decide what form its products will take, and in what order they will launch.

LONG GESTATION

Atom's gestation has in fact been quite a long one. It was in the spring of 2013 that Anthony and Mark first began discussing Atom, and a year later that Mark abruptly left first direct to join the new venture.

'I had a marvellous time leading first direct, but for me this is a once-in-a-lifetime opportunity,' he explains. 'It was quite an easy decision. I felt I would regret it forever if I didn't do it.'

'It's not a protest vote, it's a positive thing. If I'd walked across the road to join a competitor, it might have been different.'

He hopes Atom will launch in spring or summer of 2015: 'We will respect the regulatory approval process and of course it takes a long time to build a bank. We're more concerned about quality than speed. We have to be satisfied that the entire proposition works beautifully before we flick the switch.'

What we do know at this stage is that Atom will make its home in Durham. The city's transport and digital connectivity



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make it a sound bet, Mark says; another advantage is the quality and availability of talented people and the ease with which they can get to and from work.

'It's one of the attractions of having a digitally led model: you don't necessarily have to put it in a metropolitan centre,' he adds.

PRICE POINT

He also emphasises – again, counter to some previous publicity – that value will be a key distinguishing feature of the bank, alongside customer service.

'There's a huge opportunity for us to innovate. There's lots of different areas where we will challenge ourselves to be truly different from the competition. Price is one of them.

'It's part of the contract we can make with the customer: there are lots of things we don't do, lots of yesterday's costs we are not carrying, and you would expect that to translate to something you can put in your pocket.'

Simplicity and transparency are also sure to be at the heart of Atom's offering. According to Mark, creating a bank that's simple to use requires maximum discipline.

'It takes a lot of thought, because it asks you as a business leadership team how prepared you are to turn the bank inside-out, to let people see right through it and really understand what's going on with their account, and how a particular price point is reached.

'But I think it's worthwhile,' he says. 'There's a lot of demystifying to do in banking. That creates opportunities for a new entrant.'

SWITCHING MARKET

Challengers such as Atom are likely to need as many selling points as possible. The newly dynamic banking market is now thick with recent entrants. And while the number of customers switching accounts rose by 16% year-on-year in the first six months of 2014, that still amounted to under 600,000 people, or about 1.2% of the total market.

However, Mark says he's 'not particularly worried' about the size of the switching market, pointing out that it will be



influenced by the arrival of exciting new providers. 'Worrying about who will join the bank is a secondary concern – we have to get the formula right,' he declares.

And he is confident that competition will be sustainable this time round, with less risk of challengers being swallowed up by bigger players.

'The cycle of the industry is that it ultimately re-aggregates after new ideas and brands enter the market. But I'm not sure that is the future of banking in the UK any more,' he says.

'Concentration has brought its own, very big risks to the taxpayer and to the UK economy and society. Having more banks – well constituted, well run and stable – is likely to be a longer-lasting phenomenon.'

MARKETING PERSPECTIVE

Mark originally moved to first direct's parent company, HSBC, to help it create an internet banking system for business customers. He later moved into marketing roles with the company.

That background – he was a marketing specialist for seven years – informs his leadership style and his approach to financial services. In particular, it reminds him that the world that matters is outside the banking workplace.

'The industry is very inward-looking. Bankers are very interested in banks.

But customers are interested in their lives, and money is an important element of that,' he says.

'If you're a marketer, you have to understand that. You live outside the organisation. You're not obsessed with what's going on inside it. There's an old quote we used to kick around: banking is boring, money is interesting.

'Also, of course, marketing is fundamentally about communication, and that's an incredibly important part of leading any team or business. To that extent, marketing has helped me.'

GARDENING LEAVE

Mark spent five years with first direct, first as Finance Director and latterly as CEO. He is completing a six-month spell of gardening leave as he speaks to Argent – 'the garden is not looking much better for my involvement; I was never very green-fingered.'

He is clearly relishing the prospect of a return to the boardroom and a release from enforced leisure. 'I play the guitar, I faff around with cars, but a huge part of my life is spent at work. That's my choice and I don't begrudge it,' he says.

While still with first direct, he told a seminar audience that there were no brands in banking, in the sense of companies that fostered an emotional attachment, because the industry didn't look at itself from the outside. Financial services needed to 'discover the power of brands, and to reinvent banking'. So is that his ambition as he heads to his new office in Durham?

'There are technologies we can use that the incumbents don't, ideas we can have. Whether that amounts to reinvention, the judgment will be made by the customer,' Mark says.

'In any case, reinvention is not good enough. The acid test is whether a great idea actually brings genuine value to a customer's life. If it doesn't, it's vanity.

'I think great brands innovate – not just once, but they keep on innovating. Atom will only succeed and become a true brand if the story of innovation is ingrained in the business and we never stop.' ■