



# THE **DEATH** OF PHONE BANKING



Conversational Banking Through RCS

# Executive Summary

The traditional phone banking model is collapsing under its own weight. Call centers hemorrhage money while customers wait on hold, repeat information to multiple agents, and struggle with authentication processes that feel more like interrogations than service. Financial institutions spend an average of \$4-6 per customer service call while satisfaction scores continue to decline.

Rich Communication Services (RCS) is rewriting the rules of banking communication. This isn't about adding another channel to your existing stack. It's about fundamentally changing how customers interact with their financial institutions by enabling secure, visual, and interactive banking experiences directly in their native messaging app.

This whitepaper examines how RCS enables self-service banking capabilities that customers actually want to use, reduces operational costs by up to 70%, and creates the foundation for modern conversational banking that meets customers where they already are.

# The Breaking Point: Why Phone Banking is Failing

## The Cost Crisis Nobody Talks About

Your call center is expensive. Not just expensive but unsustainably expensive. Industry data shows the average cost per call ranges from \$4 to \$6, with complex banking inquiries often exceeding \$10. When you multiply that across millions of customer interactions annually, the numbers become staggering.

But the financial cost is only part of the problem. Customers hate calling their bank. They know it means navigating phone trees, waiting on hold, and explaining their situation multiple times. A 2024 banking customer experience study found that 67% of customers would rather handle banking tasks through messaging than make a phone call.

## Authentication: The Achilles Heel of Phone Banking

Security protocols that made sense in 1995 feel absurd in 2025. Customers recite their mother's maiden name, the street they grew up on, and the last four digits of their social security number to a stranger over the phone. This process is neither secure nor convenient.

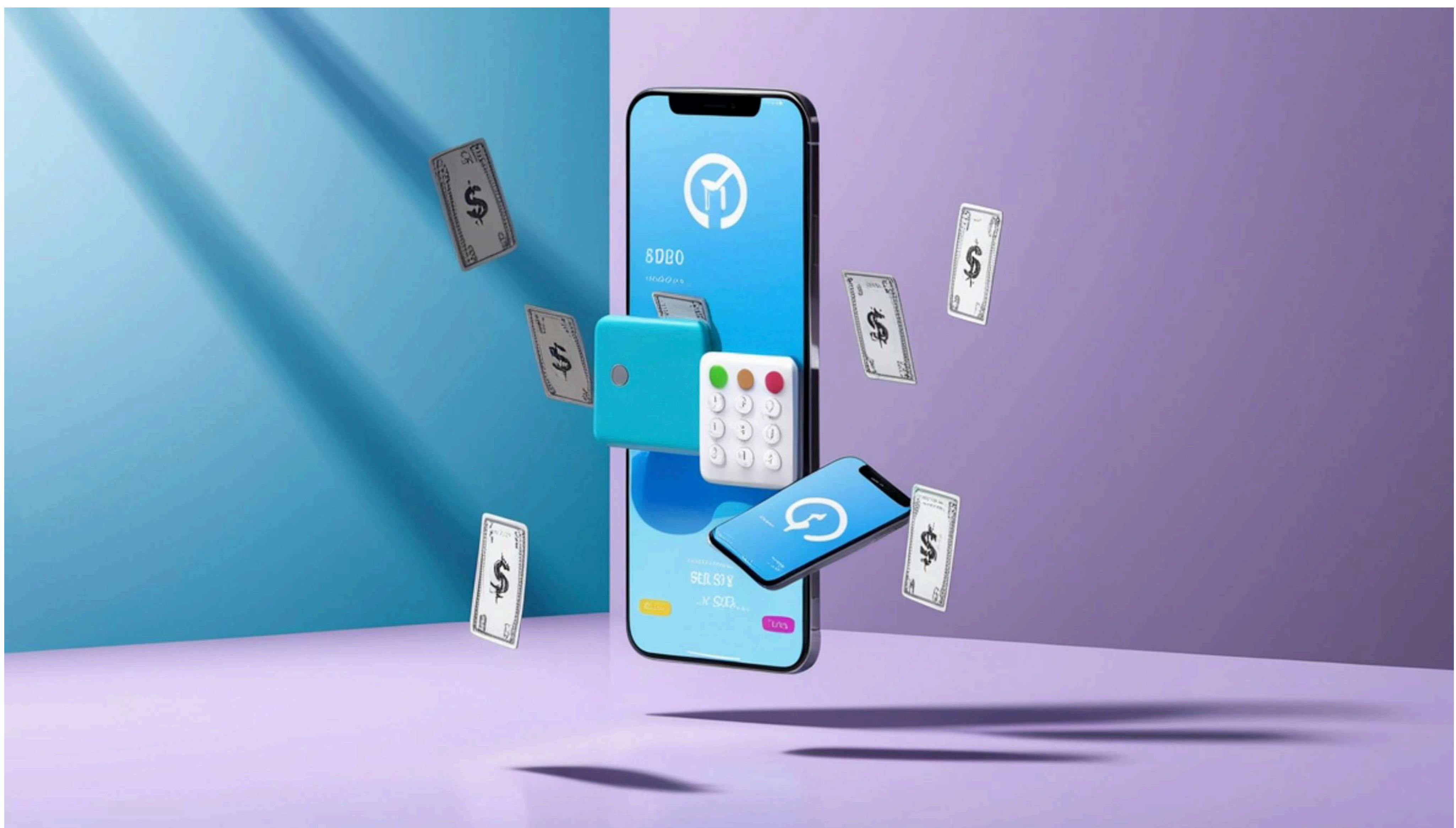
Meanwhile, authentication through RCS happens automatically. The customer's phone number is verified, their device is authenticated, and secure communications begin instantly. No security questions, no transfers to verification departments, no friction.



## The Volume Problem

Phone banking doesn't scale efficiently. As your customer base grows, you need more agents, more infrastructure, and more management overhead. The model is inherently linear. One agent can only help one customer at a time.

RCS-based conversational banking changes this equation entirely. A single system can handle thousands of concurrent interactions, providing personalized responses and executing transactions without the bottlenecks inherent in voice-based service.



## Self-Service Transactions: Banking Without Barriers

### Balance Inquiries That Make Sense

The most common reason customers contact their bank is to check their balance. This interaction through phone banking involves menu navigation, authentication, and often waiting for an agent. It takes two to three minutes for information the customer could access instantly.

RCS flips this model. A customer sends a simple message: "What's my checking balance?" The response appears immediately, formatted with clear visual hierarchy, showing not just the balance but recent transactions, pending charges, and available credit if applicable.

The interaction is verified and secure. Using RCS Multimedia through Signalmash RCS Studio, transaction details appear as rich cards with merchant information, categorization, and the ability to flag suspicious activity with a single tap. What took minutes through phone banking now takes seconds.

For basic balance notifications, RCS Basic delivers verified alerts with your bank's logo and brand trust badge, ensuring customers know the message is legitimate. These verified sender messages provide account information in a secure, 160-character format with automatic SMS fallback for devices that don't support RCS.

## **Statement Access Without the PDF Nightmare**

Traditional statement delivery through phone banking means requesting a copy, waiting for mail delivery, or navigating clunky download processes. RCS makes statements interactive, searchable, and immediately accessible.

Customers request their statement through a simple message. Using Signalmash RCS Studio's rich card capabilities, the response includes a visual summary with spending breakdowns by category, unusual activity alerts, and the ability to drill into specific transaction types. Need to find all restaurant charges from last month? Tap and filter. Want to export specific transactions to your expense tool? One button.

This isn't a static PDF. It's an interactive financial snapshot that helps customers understand their money better than any traditional statement format.

## Bill Pay That Actually Works

Phone banking for bill payments involves speaking payment amounts, confirming payee information, and hoping the agent entered everything correctly. The process is error-prone and anxiety-inducing.

RCS changes bill payment into a visual, confirmable experience. Using Signalmas RCS Studio's carousel functionality, customers see their payees in a scrollable format with logos and saved payment information. They select the payee, confirm the amount with suggested quick replies for common values, choose the payment date from action buttons, and receive instant confirmation with a transaction record.

The entire process is documented within the message thread. If there's ever a question about whether a payment was scheduled, the customer has a permanent record in their messaging app. No need to call and ask an agent to research their account history.

## Transfer Workflows With Visual Confirmation

Moving money between accounts through phone banking means verbally confirming account numbers, amounts, and transfer details. It works, but it's clunky and leaves customers wondering if they accurately communicated their intentions.



Signalmas RCS Studio enables visual account selection. Customers see their accounts displayed as rich cards with current balances, tap to select source and destination accounts, confirm the transfer amount with visual verification, and receive instant confirmation with updated balances. The customer sees exactly what's happening at every step

Complex transfers involving external accounts work the same way. Instead of reading routing numbers over the phone and hoping the agent entered them correctly, customers see their linked external accounts, confirm transfer details visually, and track the transfer status through automated updates delivered via RCS Basic for time-sensitive notifications.

## Cost Reduction: The Numbers That Matter

### Call Volume Reduction

Financial institutions implementing RCS for routine banking tasks see call volume reductions of 35-45% within the first six months. This isn't projection or theory. It's measured across multiple deployments in the US market.

The math is straightforward. If routine balance inquiries, transaction lookups, and simple transfers move to RCS, your agents handle fewer repetitive

calls. They focus on complex issues that require human judgment, relationship building, and financial advice. The calls they do handle become more valuable for both the institution and the customer.



## Cost Per Interaction Analysis

Traditional phone  
banking call:  
**\$4-6**

RCS Basic message  
interaction:  
**\$0.001-0.003**

RCS Studio rich  
message interaction:  
**\$0.01-0.03**

The difference is stark. Even RCS Studio rich messages with full multimedia capabilities cost 99% less than a phone call. When you factor in RCS Basic for simple alerts and notifications, costs drop even further.

Let's make this concrete. A regional bank with 500,000 customers averages 2 million service calls annually. At \$5 per call, that's \$10 million in annual call center costs. If RCS diverts just 40% of those calls, the institution saves \$4 million per year. The platform pays for itself in a matter of months.

## Agent Productivity Gains



Agents who previously handled 20-25 calls per day now handle 30-35 calls of higher complexity and value. This happens because the repetitive, low-value calls disappear into self-service RCS interactions.

Higher agent productivity means you need fewer agents to deliver the same level of service, or you can maintain current staffing while significantly improving service quality. Most institutions find the optimal approach combines both: modest workforce optimization while substantially improving customer experience.

## Infrastructure Cost Comparison

Phone banking infrastructure is expensive to maintain. IVR systems, call routing, recording systems, quality assurance tools, and telephony infrastructure all require ongoing investment and maintenance.

RCS infrastructure is comparatively simple. You need a messaging platform connection, integration with your core banking systems, and security protocols. But you're not maintaining physical phone systems, IVR menus, or complex routing infrastructure. The messaging platform handles delivery, the customer's device handles the interface, and your systems handle the banking logic

## Conversational Banking: Beyond Cost Savings



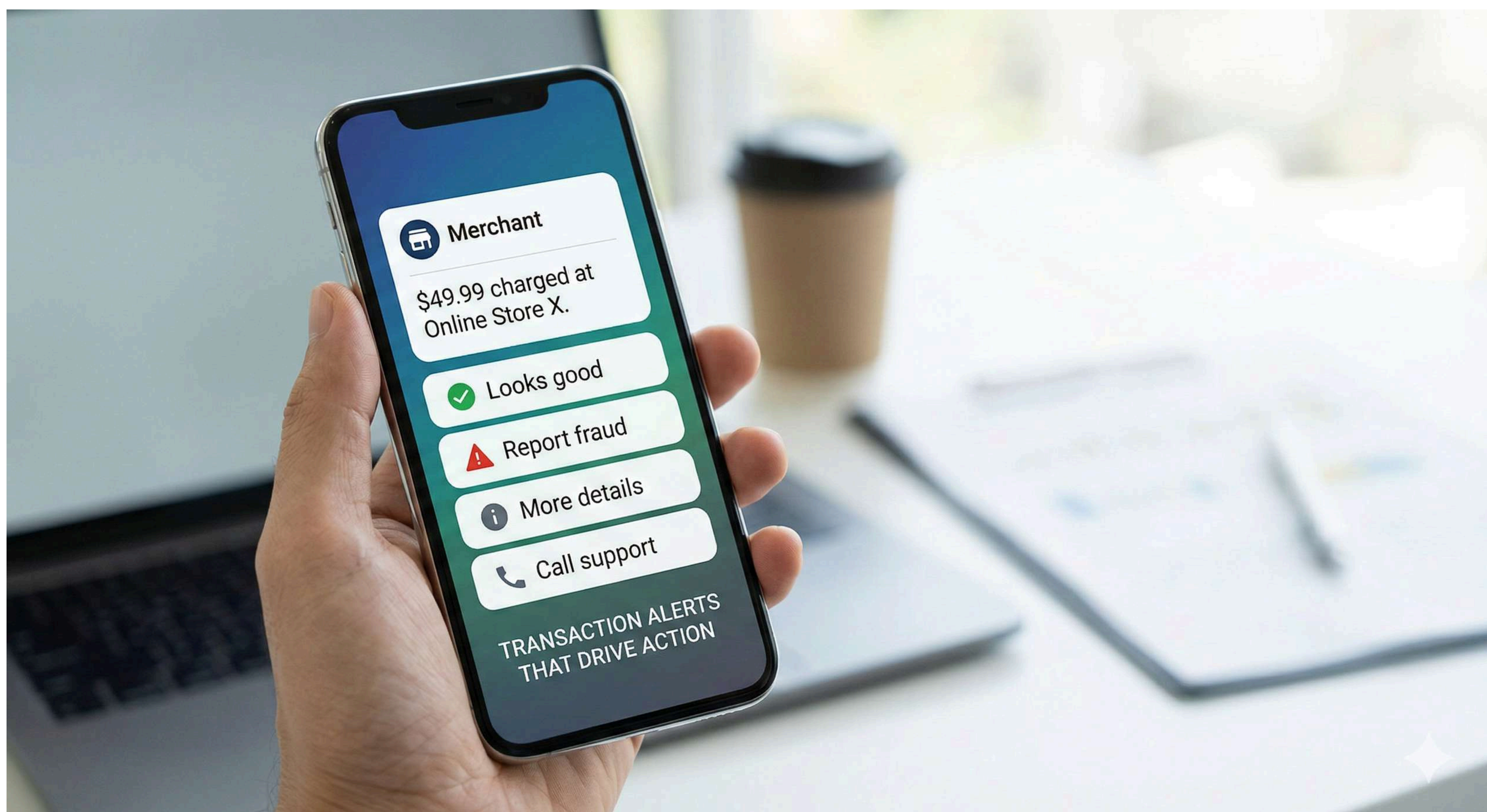
RCS enables something phone banking never could: proactive, contextual financial guidance delivered at the right moment.

Your customer's account balance drops below a threshold that typically triggers overdraft fees. Instead of waiting for the customer to notice and call, RCS Basic sends a verified alert within 160 characters: "Your checking balance is \$45. 3 pending charges total \$120. Transfer funds to avoid fees? Reply YES."

If the customer replies YES, RCS Studio takes over with a rich card showing their accounts, available balances, and suggested transfer amounts. The customer taps "Transfer \$100" from action buttons. Transaction complete. Crisis averted. The interaction took 10 seconds and didn't require any phone calls, website logins, or app downloads.

This kind of proactive banking guidance builds loyalty and reduces costly problems like overdraft fees, missed payments, and account closures. It's preventive care for financial health

## Transaction Alerts That Drive Action



Traditional transaction alerts are informational: "Your card was charged \$49.99 at Online Store X." The customer reads the alert and has to remember to check if it was legitimate later.

RCS Studio transaction alerts are actionable. The same alert arrives as a rich card showing the merchant information, the charge amount, and immediate action buttons (up to 4 per card): "Looks good," "Report fraud," "More details," or "Call support."

If the customer doesn't recognize the charge, one tap starts the fraud reporting process. They're already in a secure conversation with their bank. They provide details through guided message flows, receive real-time updates on investigation status, and get a new card shipped. All without a phone call.

For simple confirmations, RCS Basic handles high-volume transaction notifications efficiently with verified sender branding (logo and badge), automatic URL preview generation for links to transaction details, read receipt support to confirm delivery, and automatic SMS fallback, ensuring every customer receives security alerts regardless of their device capabilities.

## **Financial Product Recommendations**

Cross-selling through phone banking is awkward at best. Customers call with a specific need, and agents are trained to pitch additional products. The timing is usually wrong, and the approach feels sales-driven rather than helpful.

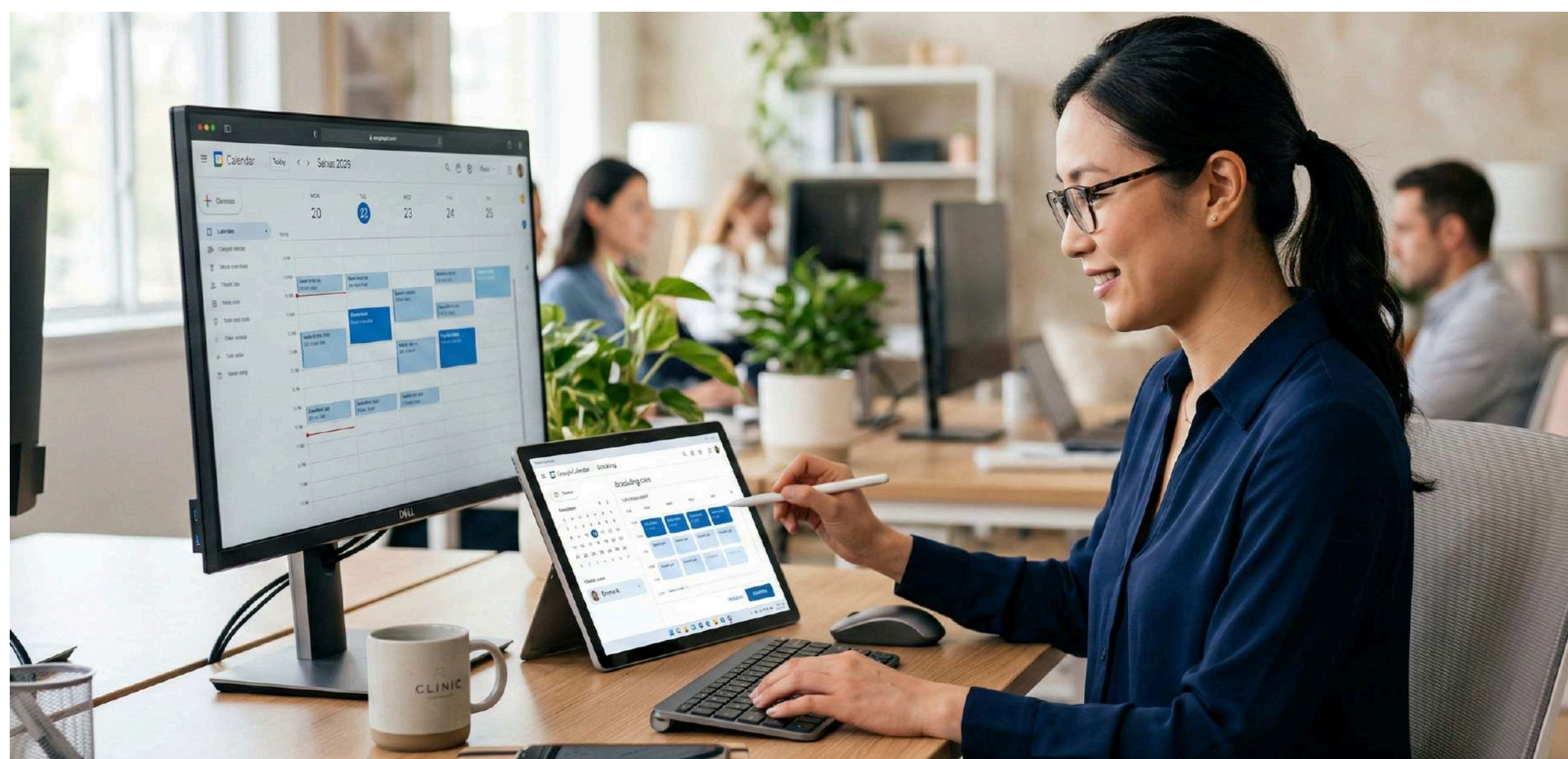
RCS enables contextual product suggestions that actually make sense. A customer messages asking about savings account rates. After providing the information through RCS Basic, the system identifies that the customer qualifies for a higher-yield account and presents the option using RCS Studio's rich card format: "Based on your average balance, you'd earn \$180 more per year with our Premium Savings account. Want to learn more?"

If the customer taps "Learn more," they receive interactive content through a carousel (up to 10 cards) explaining the account benefits, minimum balance requirements, comparison charts, and an action button to open the account directly in the conversation. If they're not interested, they tap "Maybe later" and the suggestion doesn't appear again for several months.

This is product discovery that respects the customer's context and provides value rather than interruption

## Appointment Scheduling Without Phone Tag

Scheduling appointments with financial advisors or branch bankers through phone banking means calling during business hours, getting transferred to the scheduling department, and hoping your preferred time is available.



RCS Studio makes scheduling visual and asynchronous. The customer requests an appointment and receives a message showing available times through interactive cards in a carousel format.

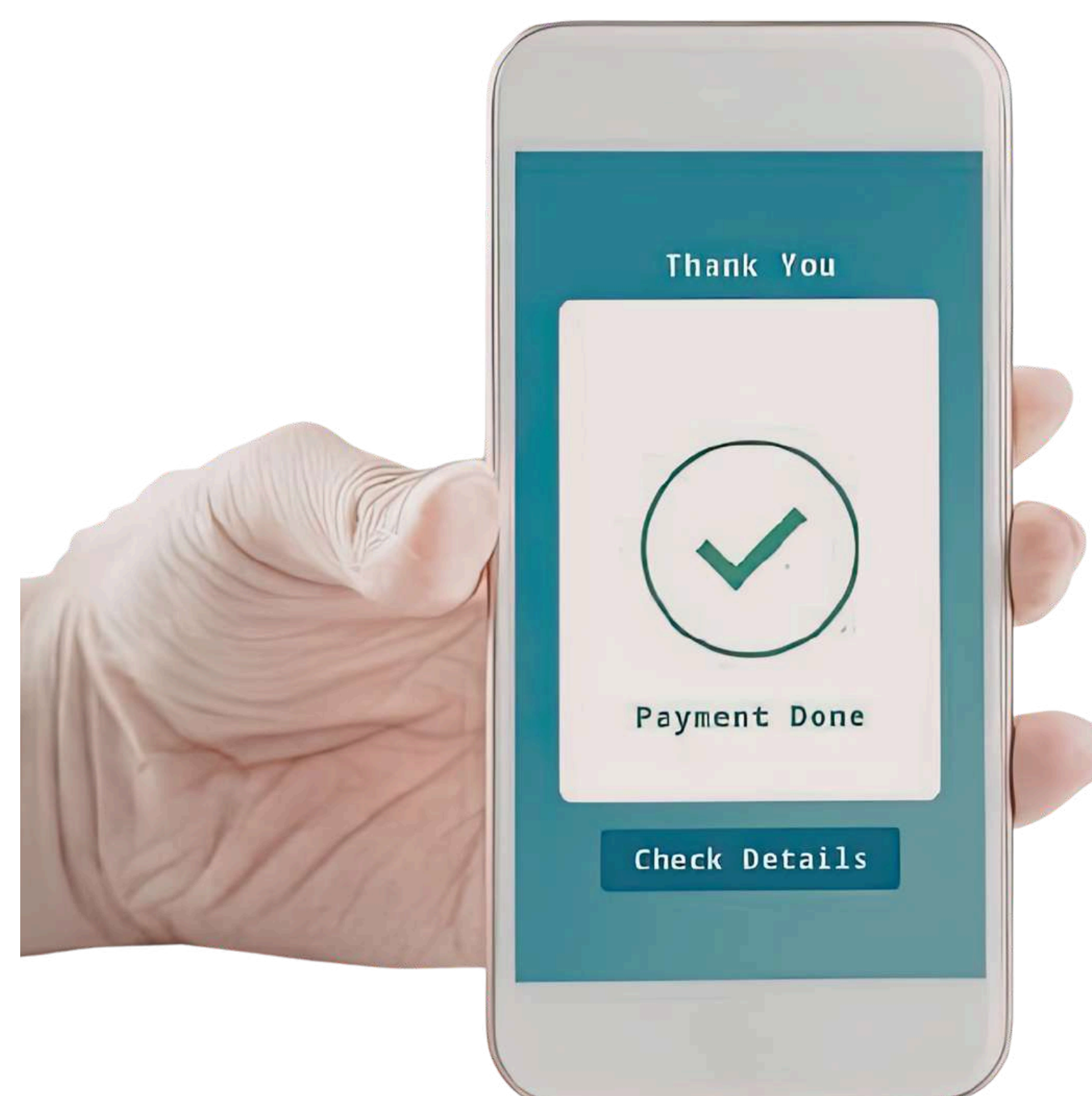
They select their preferred slot through action buttons and get confirmation with webview integration for calendar sync and reminder messages delivered via RCS Basic

Changes and cancellations work the same way. No need to call back and navigate phone menus. Just message your bank, tap to reschedule, and select a new time. The entire process happens in less than a minute.

## Security and Compliance: The Foundation

### Verified Sender Authentication

RCS provides carrier-grade verification that phone banking can't match. When a customer receives an RCS message from their bank, they see verified sender branding including your bank's logo and trust badge. This verification happens at the carrier level and cannot be spoofed by scammers.



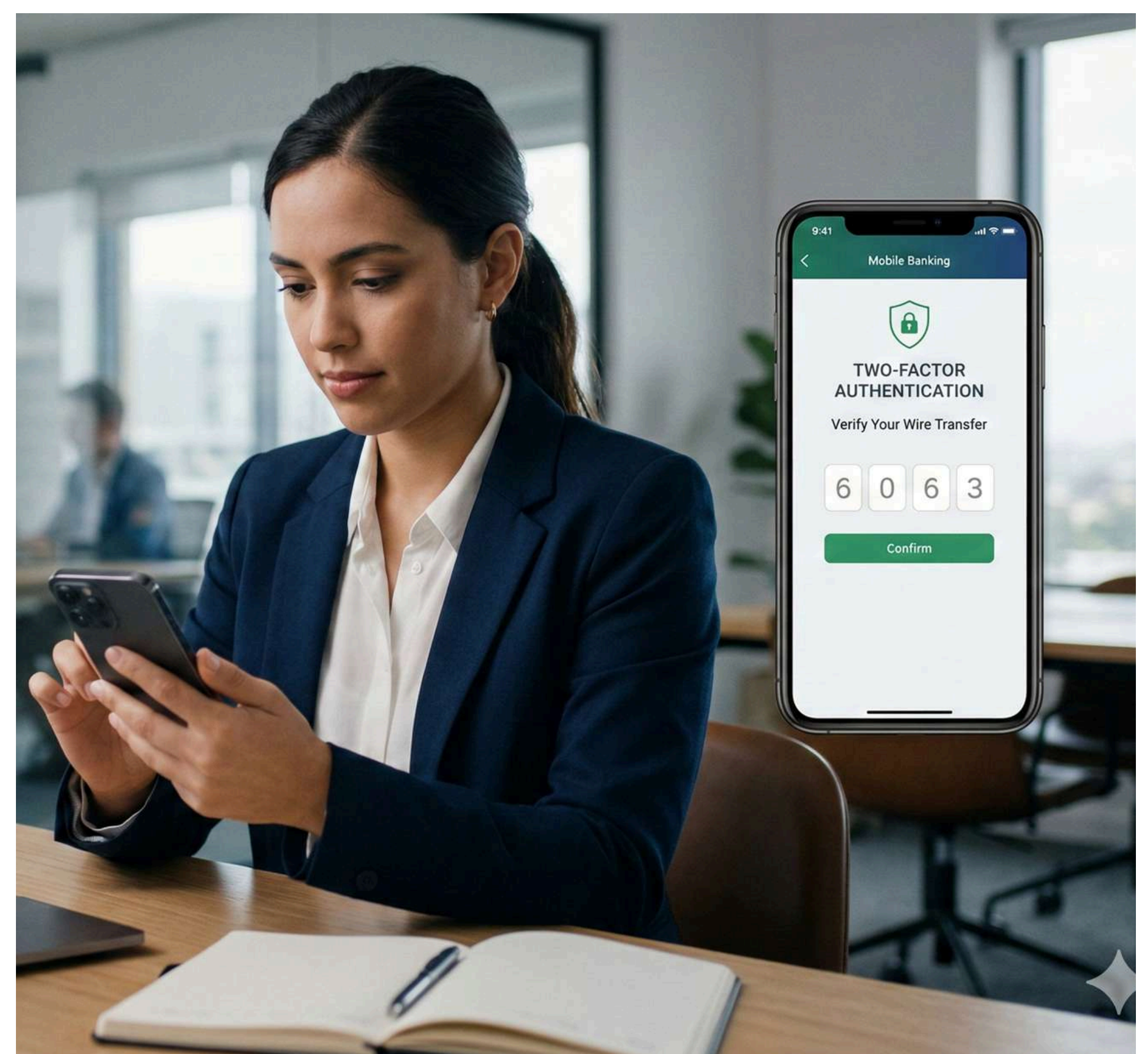
This multi-layer verification happens transparently. The customer doesn't jump through authentication hoops, but the security is actually stronger than traditional phone banking where anyone with basic personal information can potentially social engineer their way into an account.

Every RCS message, whether using RCS Basic for simple alerts (160 characters per segment with GSM-7 encoding, 70 characters per segment with Unicode) or RCS Studio for rich interactions (8,000+ characters), displays your verified brand identity. Customers learn to trust messages with your verified badge and become skeptical of unverified communications claiming to be from your institution.

## Transaction Security Protocols

Every transaction initiated through RCS is logged with complete audit trails including device fingerprints, timestamp verification, and message content preservation. This creates a compliance record that's actually more complete than phone banking where call recordings may be partial and transcription is often manual.

Two-factor authentication integrates naturally. A customer initiates a wire transfer through RCS



Studio's interactive flow, the system sends a one-time password via RCS Basic (perfect for OTPs within the 160 character limit), the customer replies with the code, and the transaction processes. The entire security flow happens within the message thread without app switches or authentication redirects

## Regulatory Compliance Advantages

Banking regulations require institutions to maintain records of customer interactions, verify identity before executing transactions, and provide customers with transaction documentation. RCS makes all of this simpler and more reliable than phone banking.

Message threads provide permanent records that customers can access anytime. Transaction confirmations include all required disclosures formatted for mobile screens. Identity verification happens through device and carrier authentication rather than security questions that can be researched or guessed.



The compliance team has complete visibility into all RCS interactions through RCS Studio's advanced analytics dashboard with centralized logging and reporting. Audit requirements are satisfied automatically rather than requiring manual review of call recordings and agent notes.

RCS implementations in the US market must comply with TCPA (Telephone Consumer Protection Act) regulations, requiring explicit opt-in consent for promotional messages. Transactional and account servicing messages, such as balance alerts and fraud notifications delivered via

RCS Basic does not require prior consent, but must still follow best practices for customer communication

# Implementation Strategy: Making the Transition

## Identifying High-Impact Use Cases

Start where phone banking pain is highest and volume is greatest. For most banks, this means balance inquiries, transaction history requests, and simple account-to-account transfers.

Implement RCS for these specific use cases first. Use RCS Basic for high-volume, straightforward communications like balance alerts (160 characters per segment with GSM-7 encoding, 70 characters per segment with Unicode), transaction confirmations, one-time passwords, appointment reminders, and account alerts. Deploy RCS Studio for interactive workflows like transfers and bill payments that benefit from rich cards, carousels, action buttons, and webview integration.

Measure call deflection, cost savings, and customer satisfaction. Use these early wins to build support for broader RCS deployment.

The goal isn't to replace phone banking overnight. It's to give customers better options for routine banking tasks while freeing agents to focus on complex needs and relationship building.

## Platform Selection: Basic vs Studio

Understanding when to use RCS Basic versus RCS Studio is critical for cost optimization and customer experience.

RCS Basic (API Only) works best for:

- Account balance notifications (within 160 characters per segment with GSM-7 encoding, 70 characters per segment with Unicode for emojis or non-Latin scripts)
- Transaction confirmations and receipts
- Fraud alerts and security notifications
- One-time passwords and verification codes
- Simple appointment reminders

### ***Implementation time: 1-2 days***

RCS Basic messages include verified sender branding with your bank's logo and trust badge, automatic URL preview generation for included links, read receipt support to confirm message delivery, and automatic SMS fallback for universal reach to customers whose devices don't support RCS.

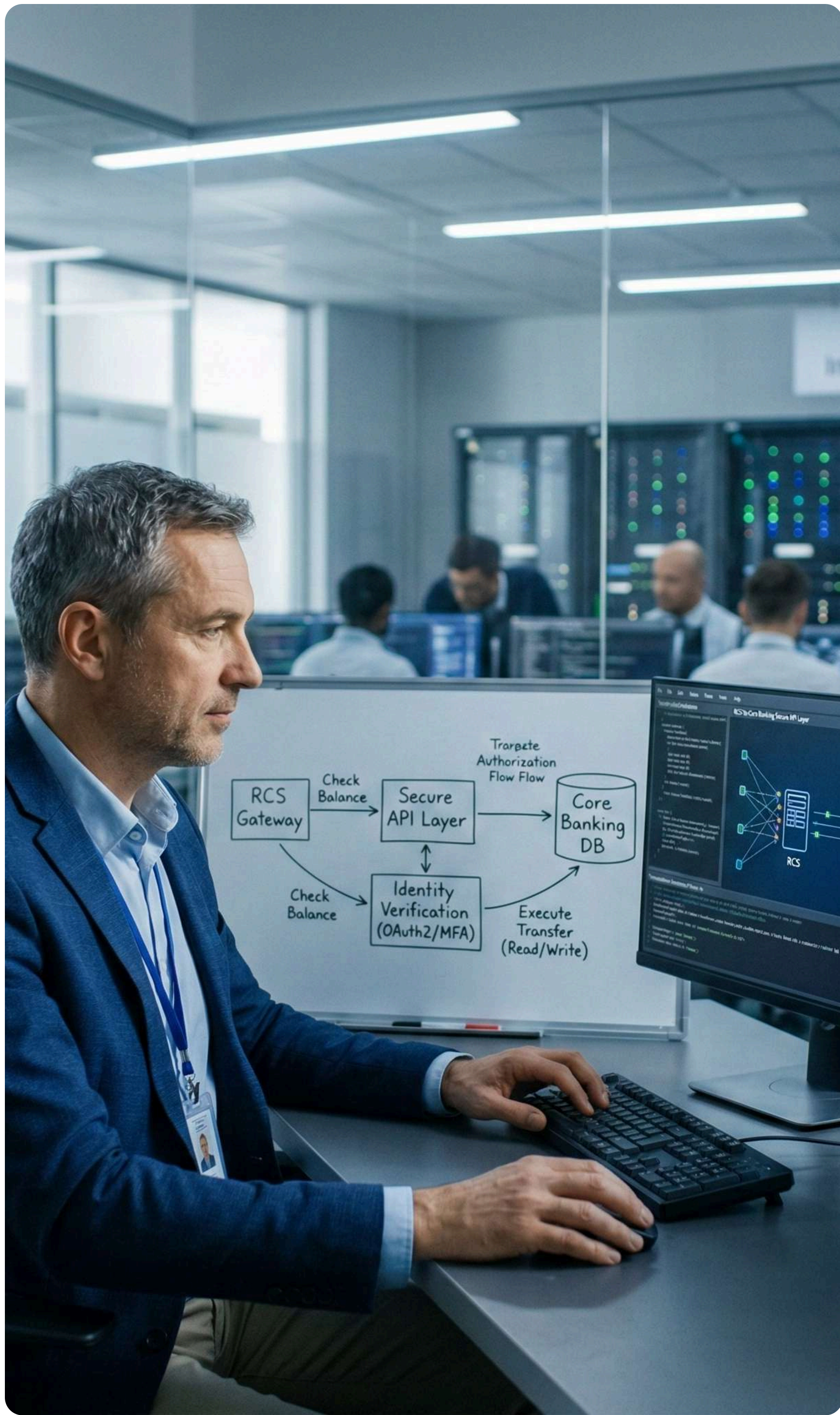
RCS Studio (Multimedia) is ideal for:

- Interactive account transfers with visual confirmation
- Bill payment workflows with payee selection (carousel with up to 10 cards)
- Financial product education with rich media (images and video)
- Appointment scheduling with calendar integration (webview integration)
- Customer service conversations requiring context (8,000+ character limit)
- Product launches and promotions with interactive elements
- Interactive customer support with guided flows
- Appointment booking flows with visual time selection

### ***Implementation time: 2-5 days***

RCS Studio provides up to 8,000+ character limit, rich cards with images and video, carousels with up to 10 cards for multiple options, up to 4 action buttons per card for customer choices, webview integration for complex forms and calendar sync, drag-and-drop campaign builder for marketing teams without technical resources, and advanced analytics dashboard for tracking engagement and conversion.

The most effective implementations use both: RCS Basic for high-volume transactional messages and RCS Studio for interactive banking experiences that require visual elements and multiple customer actions.



## Integration With Core Banking Systems

RCS doesn't exist in isolation. It needs secure access to your core banking systems to check balances, retrieve transaction history, and execute transfers.

This integration happens through secure APIs that limit RCS access to read and specific write operations. The RCS platform authenticates, verifies customer identity, and makes API calls on behalf of verified customers.

Security boundaries are clear. RCS can execute transactions that customers could perform through online banking but cannot access internal systems, override controls, or bypass standard authorization workflows.

Most US banks already have API infrastructure supporting mobile banking apps. RCS integration leverages these existing APIs, reducing implementation complexity and maintaining consistent security protocols across channels

## Agent Workflow Evolution

Agents need visibility into RCS conversations when customers escalate to phone support. If a customer tried to resolve an issue through RCS messaging, then called for help, the agent should see that history.

Modern omnichannel platforms integrate RCS conversation history into agent desktops. The agent sees what the customer tried to do, where the automated system couldn't help, and what information has already been provided. This eliminates the frustrating customer experience of repeating information when escalating channels.

Agents also need the ability to transition a phone conversation to RCS when appropriate. If a customer calls asking about their recent transactions, the agent can send them an RCS Studio message with an interactive transaction viewer and say, "I just sent you a message with your transactions. You can tap any transaction to see details or flag suspicious activity. Does this help, or do you need me to walk you through something specific?"

## **Customer Education and Adoption**

Customers won't use RCS if they don't know it exists. Initial outreach happens through existing channels: email notifications, online banking messages, and yes, even at the end of phone banking calls.

The message is simple: "You can now check your balance, view transactions, and transfer money by texting your bank. Try it: Send 'balance' to [your bank's number]."

Adoption builds organically. Customers who try RCS Basic for simple balance checks learn they can do more. They receive their first RCS Studio message with rich cards and action buttons and realize banking can be this easy.

They tell friends and family. Word spreads. Within six months, a significant percentage of your customer base is using RCS for routine banking tasks.

### **Important note for US implementation:**

All customers must provide opt-in consent before receiving promotional or marketing RCS messages.

Transactional messages for account servicing (like balance alerts via RCS Basic or transfer confirmations via RCS Studio) don't require prior consent, but best practice is to inform customers during account opening that they'll receive important account alerts via text message.

# US Market Considerations

## Carrier Support and Coverage

RCS availability in the US market has expanded significantly. Major carriers, including T-Mobile, AT&T, and Verizon, support RCS messaging, covering approximately 90% of US mobile subscribers.

Google Messages, the default messaging app on most Android devices in the US, fully supports RCS. This means customers with Android phones can receive rich RCS Studio messages without downloading any additional apps.

For customers on devices or carriers that don't support RCS, automatic SMS fallback (built into both RCS Basic and RCS Studio) ensures universal message delivery. RCS Basic messages fall back to standard SMS text within the 160-character limit per segment. RCS Studio rich messages fall back to SMS with a link to view the rich content through a mobile web page.

## Regulatory Compliance Framework

US financial institutions implementing RCS must navigate specific regulatory requirements:

**TCPA Compliance:** The Telephone Consumer Protection Act requires prior express written consent for promotional messages. Transactional messages for account servicing, fraud alerts, and account notifications don't require prior consent but must follow clear opt-out procedures.

**GLBA Requirements:** The Gramm-Leach-Bliley Act mandates the protection of customer financial information. RCS implementations must encrypt messages in transit, secure customer data at rest, and implement access controls that meet GLBA standards.

**E-SIGN Act:** Electronic signatures and disclosures through RCS must comply with the Electronic Signatures in Global and National Commerce Act, requiring customer consent to receive documents electronically and confirmation of their ability to access electronic records.

**FFIEC Guidance:** The Federal Financial Institutions Examination Council provides guidance on authentication in internet banking. RCS implementations must implement multi-factor authentication for high-risk transactions and maintain detailed audit trails.

## **Privacy and Consumer Protection**

US consumers are increasingly concerned about privacy. RCS implementations must be transparent about data collection, usage, and retention.

Clear privacy notices should explain what information is collected through RCS interactions, how it's used to provide banking services, how long it's retained, and how customers can opt out of non-essential communications.

State-level privacy laws, including California's CCPA and Virginia's CDPA, give consumers rights to access their data, request deletion, and opt out of data sales. Banks operating in multiple states should implement privacy controls that meet the highest state-level standards.

# **The Future: Where Conversational Banking is Heading**

## **AI Integration for Complex Queries**

Current RCS implementations handle structured requests well: balance inquiries via RCS Basic, transaction lookups, and transfers via RCS Studio. The next evolution brings conversational AI that understands intent, context, and nuance.

A customer messages: "I'm buying a car next month. What's my best financing option?" The AI analyzes their credit history, income, current debt obligations, and available products to provide personalized recommendations through RCS Studio's rich cards with example monthly payments and interest rates, using carousels to compare different loan options and action buttons to start applications.

This isn't generic information. It's specific advice based on the customer's actual financial situation, delivered conversationally through RCS Studio with interactive options to explore different scenarios.

The technology for this exists today. Implementation is a matter of connecting AI systems to your core banking data and RCS messaging platform. Early adopters will gain significant competitive advantages.

## **Predictive Banking Services**

RCS combined with AI enables predictive banking that anticipates customer needs before they're expressed. Patterns in transaction history, seasonal spending, and life events trigger proactive outreach.

Your system notices a customer has been shopping at baby stores. An RCS Studio message arrives with a rich card showing education savings account options: "Congratulations! Many new parents find our education savings accounts helpful for college planning. Would you like to learn more?"

The customer who typically travels internationally each summer gets an RCS Studio message in early spring with travel tips, foreign transaction fee information displayed in a carousel, and action buttons to set up travel notifications and review international ATM options.

These proactive messages add value instead of annoyance because they're contextual, timely, and relevant. They help customers manage their financial lives better rather than just pushing products.

## Voice Integration and Multimodal Banking

Future RCS implementations may integrate voice capabilities, allowing customers to send voice messages for complex inquiries that are difficult to type within the 160 character limit of RCS Basic or when they prefer speaking to typing.

A customer records a voice message: "***I need to discuss options for refinancing my mortgage, given current interest rates.***" The system transcribes the message, analyzes the intent, and responds through RCS Studio with relevant information displayed in rich cards and action buttons to schedule a call with a mortgage specialist.

This multimodal approach combines the convenience of messaging with the expressiveness of voice, giving customers flexibility in how they communicate with their bank.

## Conclusion: The Choice is Clear

Phone banking served its purpose. For decades, it was the best remote banking option available. But technology has moved on, customer expectations have evolved, and the economics of maintaining expensive call centers for routine transactions no longer make sense.

RCS provides a better way. Customers get instant, visual, secure banking services in their native messaging app. Financial institutions reduce costs dramatically while improving service quality. Agents focus on complex issues and relationship building instead of repeating account balances dozens of times per day.

The death of phone banking isn't a tragedy. It's an evolution toward something better for everyone involved. The question isn't whether conversational banking through RCS will replace traditional phone banking for routine transactions. It's how quickly your institution will embrace this change and start delivering the banking experience your customers already expect.

Signalmas RCS Studio makes this transition straightforward for US financial institutions. Our platform provides both RCS Basic for efficient, verified transactional messaging (160 characters per segment with GSM-7 encoding, 70 characters per segment with Unicode) and RCS Studio for rich, interactive banking experiences (8,000+ characters with rich cards, carousels, action buttons, and webview integration).

We handle the technical complexity of carrier integration, security protocols, regulatory compliance, and core banking system integration.

With implementation timelines of 1-2 days for RCS Basic and 2-5 days for RCS Studio, you can start deflecting call center volume and improving customer satisfaction within a week. Our drag-and-drop campaign builder makes it easy to create and deploy new banking workflows without developer resources.

The advanced analytics dashboard shows exactly which messages drive engagement and where customers need additional support.

The future of banking communication is happening now. The institutions that adapt will thrive. Those that cling to expensive, outdated phone banking models will struggle to compete as customers vote with their feet and move to banks that make routine banking effortless.

Your customers don't want to call you for their account balance. They don't want to navigate phone trees or recite security answers. They want banking to be simple, visual, and instant.

Give them what they want. Make the switch to conversational banking through RCS.

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