

A Focus on Data Integrity for Better Compliance and Customer Communication

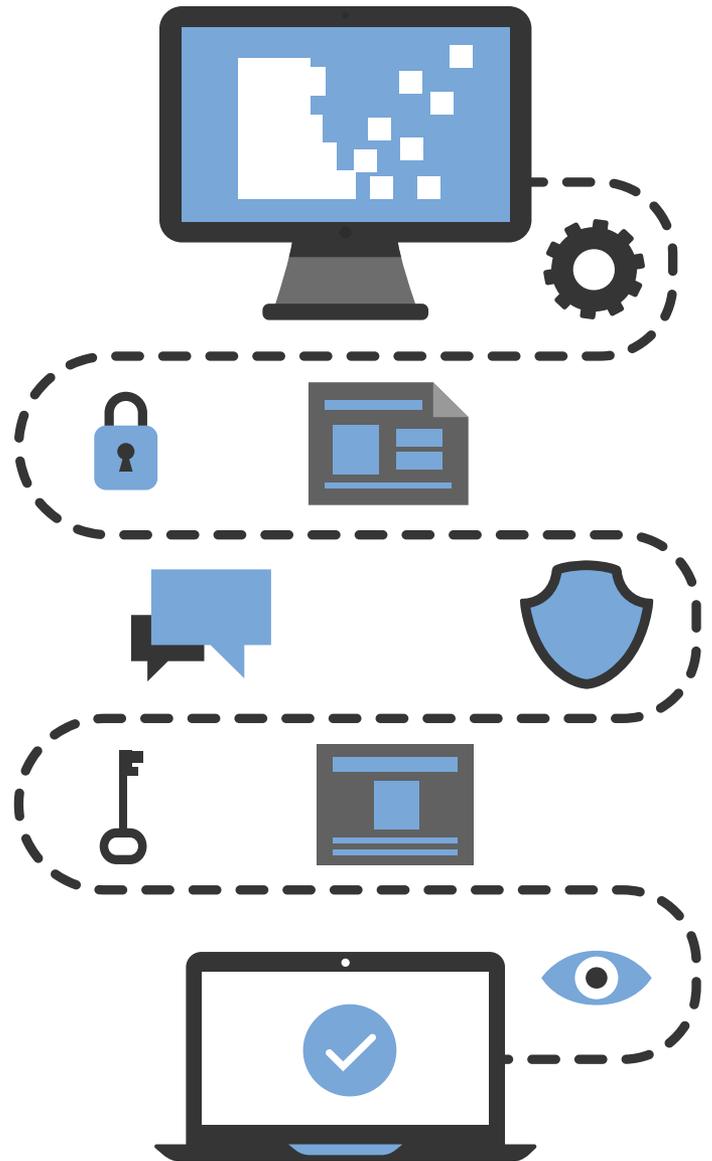
Guest Article by Tom Berger, Chief Executive Officer, Cross Country Computer

There is a direct correlation between poor data quality and the likelihood that an account will lapse into dormancy. Improper storage of data elements and failure to leverage best-in-class hygiene solutions are the leading causes of this issue. These become even more of a challenge for investment and other financial records that have complicated account registrations.

Ensuring proper parsing of data and its storage is a critical first step in the hygiene process. It facilitates better matching of files to databases that are used for address standardization, change of address and compliance. The following considerations are specific to investment and financial data.

New investment accounts can include legal terms such as "CUSTODIAN", "TTEE", "UGMA" and "JT TEN" in conjunction with the owner's name and address information when they are established. While these ownership-designations are mandatory, they can lead to delivery issues and lost accounts. If these legal references comingle with account owner contact information, it will reduce successful matching to the United States Postal Service (USPS) CASS Certification and National Change of Address (NCOALink) databases for address standardization and new moves. It also prevents name and address based matching for SEC 17Ad-17 compliance. These challenges are further complicated with multi-owner accounts that contain two or more individuals within a single registration. These conditions make it harder to keep track of owners/customers, which can lead to dormancy. It also makes downstream owner location research and outreach more difficult.

Proper storage begins with the identification and placement of each data element into its correct place on the file layout. This will optimize name and address matching and allow for proactive address verification solutions. These automated processes can be more cost-effective than manually researching lost accounts. Improved data parsing and storage also increases compliance rates by highlighting the relationship between multiple individuals on an account to more effectively determine who should be targeted for legal and marketing communications.



There are a variety of measures that can be taken in order to isolate each data element and improve data quality:

- Make sure separate fields are created within your internal database to store each piece of information.
- Create business rules for how to set up new accounts so that the string "MRS MARY & DR DAVID SMITH JTWROS" is not stored in one field, but instead parsed into its components. This level of parsing can be achieved programmatically such that a string is scanned for specific terms which are then placed into their respective places on the layout.
- Weigh the position of each element within the full registration. For example, 'IRA' could be either a first name or a designation for an 'Individual Retirement Account'.
- Supplement missing data with external append services that match on a particular available element, such as a Social Security Number, email address or phone number, and return back a current land address, etc. Conversely, a postal address can be used to find an individual's email address or phone number. This additional contact information can then expand your communication strategy by offering new and often lower cost channels.