BANKING, FINANCIAL SERVICES & BPO

Meeting the Bank Where the Customer Is

How BPOs Must Evolve Across Channels as Banks Bet on Both Branches and AI

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Executive Summary

Consumer banks are making two large, simultaneous investments that look, at first glance, like they work against each other. On one hand, banks are pouring capital into branch networks, after a decade of consolidation cut US branch counts by roughly 6 percent since 2021. On the other hand, they are racing to deploy generative AI and conversational interfaces designed to keep customers out of a branch or off the phone entirely. Bank of America's EricaAssist now supports more than 18,000 customer service representatives with real-time guidance in under three seconds. Fifth Third's AI assistant, Jeanie, recognizes customer intent roughly 90 percent of the time and has lifted self-service containment from 3 percent to 42 percent. At the same time, Bank of America is opening 150 new branches, PNC is targeting 300 by 2030, and JPMorgan Chase has committed to roughly 500 new locations, including a tripling of its presence in Alabama.

Source: Fifth Third public disclosures on Jeanie, its generative-AI customer assistant.

This is not a contradiction. It is a single strategy playing out on two fronts: digital channels absorb routine, high-volume servicing, while human channels, branch staff and contact center agents alike, are redeployed toward the moments that actually build or defend a deposit relationship. For BPO partners, this shift changes the job. The routine call volume that used to fill a queue is shrinking. What remains is more complex, higher-stakes, and more consequential to a bank's growth targets. Partners who built their value proposition on handling volume at scale need a different offer: agents who can operate inside AI-assisted workflows, absorb surge demand from branch build-outs and core conversions, support small-business digital banking, and do all of it inside the governance frameworks banks are now formalizing for AI use.

> **IN PLAIN TERMS**
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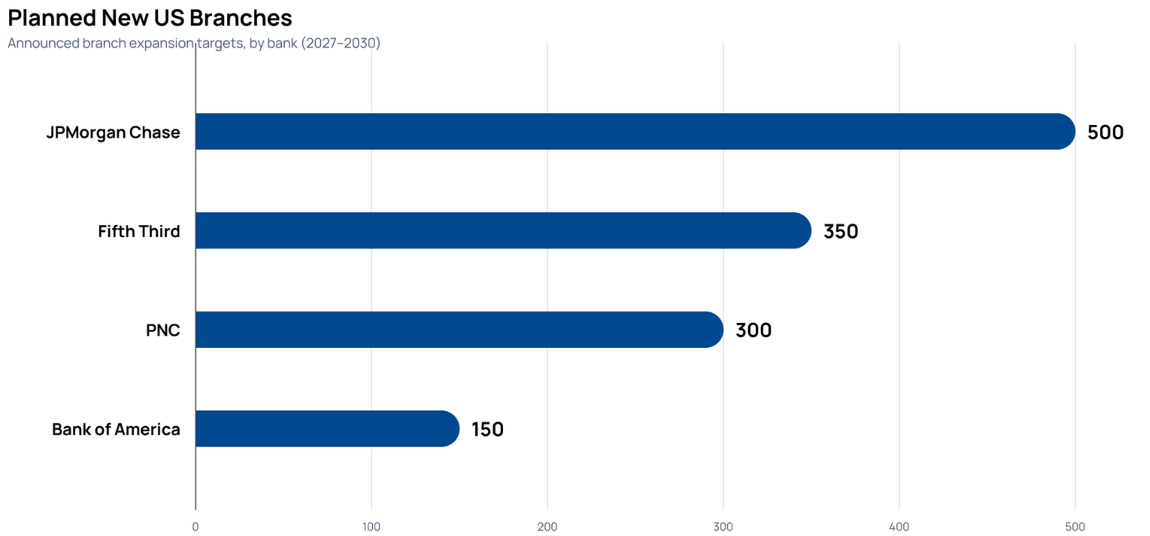
This paper looks at what is driving the dual investment, what it means channel by channel, and what banks should expect from a BPO partner in this environment.

1. The Dual Bet: Branches Are Back, and So Is AI

After years of steady branch closures, several of the largest US banks are expanding again. Bank of America has committed to 150 new branches across 60 markets through 2027, including first entries into Alabama, Kentucky, Louisiana, Wisconsin, and Idaho. JPMorgan Chase has committed to roughly 500 new branches across growth markets, with a particular focus on the Southeast, including North Carolina, South Carolina, Florida, and Tennessee, and a tripling of its Alabama footprint. PNC is targeting 300 new branches across the Southeast, Texas, Nashville, and Chicago by 2030, on top of the roughly 780,000 customers, 1,620 employees, and 95 branches it absorbed through its FirstBank acquisition. Fifth Third has announced plans for 200 branches in the Southeast by 2028 and 150 in Texas by 2029, alongside its Comerica acquisition. Regional players are moving too: Regions plans 135 to 150 new branches across Florida, Georgia, and Tennessee over five years, Truist is targeting 100 across the Southeast and Texas, and Huntington, FNB, Frost, and Atlantic Union all have their own de novo expansion plans underway in the Southeast and Southwest.



Figures reflect each bank's own publicly announced targets; timelines vary by bank (2027–2030). Fifth Third total combines its Southeast (200) and Texas (150) commitments.

At the same time, nearly every bank in this group is investing just as aggressively in AI-driven digital servicing. Bank of America has expanded EricaAssist, its generative AI tool for customer service representatives, with plans to extend it into additional servicing scenarios later in 2026. Wells Fargo launched AI Teammate inside its Advisor Gateway to give financial advisors and client associates AI-powered support. TD used generative AI paired with human review to translate more than 50,000 words across nearly 1,000 mobile app screens for a new Spanish-language banking experience, cutting time-to-market by half and translation costs by 62 percent, and has introduced enterprise-wide Responsible AI Principles to govern how it uses the technology. Citizens Financial Group has built AI use cases into its card contact centers, digital onboarding, and complaint root-cause analysis as part of a program expected to deliver roughly 450 million dollars in pre-tax run-rate benefit by the end of 2028. Fifth Third's Jeanie now routes customer requests directly to task completion, to itself, or to a live agent, and has shifted a large share of volume that used to reach a person into self-service.

Two investments, same objective: banks are trying to serve more customers, in more markets, without letting cost to serve rise in lockstep. Branches remain the most effective channel for winning new-to-bank deposit relationships and cross-selling small-business services. AI is the most effective way to handle the rising volume of routine questions and transactions without adding headcount. The two are not competing for the same budget. They are splitting the same customer journey.

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2. What This Means Channel by Channel

CHANNEL SNAPSHOT

- Contact centers — harder, AI-escalated issues; agents now need to sell, not just resolve.
- Branch support — staffing surges for de novo openings and system conversions.
- Small-business digital banking — self-service replacing the relationship banker for routine tasks.
- Multilingual and underserved markets — AI for speed, trained people for accuracy and trust.
- Governance — partners must operate inside the bank's AI governance standards, not beside them.

Contact centers

As self-service containment rises, the calls and chats that still reach a live agent are, by definition, the ones AI could not resolve. That is a different mix of work than a contact center was built to handle five years ago: more complex account issues, more fraud and dispute escalations, more moments where a customer is frustrated because they already tried the bot. Partners staffing these queues need agents trained to operate inside an AI-assisted workflow, not around one, and equipped with enough context, often passed forward from the AI interaction that preceded them, to resolve the issue without asking the customer to repeat themselves. Banks are also asking these same agents to sell: Citizens Financial Group's plan to exit 100 to 120 in-store branches and replace them with a smaller number of standalone locations built around advice, private banking and wealth, and small-business relationships only works if the remaining human channels, in-branch and phone alike, are equipped to have that conversation.

Branch support

Branch expansion at this scale, hundreds of new locations across multiple regions inside a few years, is a staffing and onboarding problem before it is anything else. Banks opening de novo branches need people hired, trained, and productive quickly in markets where they may have little existing brand presence or talent pipeline. PNC's FirstBank conversion alone moved 1,620 employees and roughly 780,000 customers onto a new platform in a single event. Huntington's Cadence systems conversion transitioned 4,500 colleagues and onboarded hundreds of thousands of customers. These are exactly the kind of surge events where a flexible, quickly scalable outsourced workforce, covering everything from back-office processing to customer communications during the transition, keeps a bank's own staff from being overwhelmed at the moment customer experience is most exposed.

Small business digital banking

Several banks used this quarter to expand small-business self-service specifically. US Bank launched Enhanced Payments, embedding ACH, same-day ACH, and instant payments into its online and mobile banking, and enabling small businesses to complete international wires digitally instead of in-branch. Fifth Third rolled out Fifth Third for Business to more than 240,000 small-business customers, combining payments, cash-flow management, and access to capital in one digital experience. KeyBank made Check Control for Business fully available, letting business clients review, validate, and stop suspicious or duplicate checks before they clear. Small-business customers who used to rely on a relationship banker for these tasks now need digital support and, when something goes wrong, a support channel that understands small-business banking specifically rather than generic retail servicing.

Multilingual and underserved markets

TD's Spanish-language rollout is a template worth noting: generative AI accelerated the translation work, but human review still handled quality assurance, and the bank still needed people who could confirm that a translated banking product description was accurate, compliant, and culturally appropriate. As banks expand into new geographies as part of their branch build-out, this pattern, AI for speed and trained people for accuracy and trust, is likely to repeat across other underserved segments and languages.

Governance

TD's introduction of enterprise-wide Responsible AI Principles is a signal, not an isolated move. As AI takes on a larger share of customer-facing work, banks are formalizing how it can be used, and they will expect any partner touching those workflows, including outsourced contact center and back-office teams, to operate inside the same governance standards rather than as an exception to them.

3. What Banks Should Expect From a BPO Partner Now

The BPO relationship that served banks well when the job was answering more calls for less cost is not the same relationship that serves them well now. Three shifts stand out.

THREE SHIFTS

- More complex work, not less — AI has already absorbed the simple volume.
- Event-driven, not steady-state — build-outs, conversions, and acquisitions create surges.
- Inside governed, AI-assisted workflows — not alongside them.

First, the work getting routed to outsourced teams is more complex, not less, because AI has already absorbed the simple volume. Partners need to staff and train for that reality rather than for the high-volume, low-complexity model of years past.

Second, the work is increasingly event-driven rather than steady-state. Branch build-outs, core conversions, and acquisitions create short, intense surges in staffing and support need, and banks need partners who can flex quickly rather than partners built only for a flat, predictable baseline.

Third, the work now sits inside AI-assisted and governed workflows rather than alongside them. A partner's agents, systems, and training need to integrate with a bank's AI tools and operate within its governance standards, not treat them as a separate track.

CLOSING REFLECTION

"Banks are not choosing between branches and AI, or between digital and human channels. They are building both, deliberately, because each does something the other cannot. The BPO partners who keep pace will be the ones who stop thinking about channels as separate lines of business and start building for the handoffs between them."

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Let's discuss how we can help you transform CX across every channel.

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