

How Q2 Became a Force Multiplier for Amplify Credit Union's Fee-Free Vision

Key Challenges

For Amplify Credit Union ("Amplify"), the biggest change to their business model started with a simple question: which of their members were being affected the most by overdraft fees? "We did a deep dive and saw that close to 85% of our membership never used overdraft at all," says Stacy Armijo, Chief Experience Officer at Amplify. "Another 12% or so used it as intended—a couple of times a year. But a very small percentage of our membership was paying the lion's share of overdraft fees."

Armijo says this sparked a series of deep discussions at Amplify. "As a credit union, we're a mission-driven organization. We decided that we didn't want to make somebody's financial situation harder at exactly the moment they were most vulnerable."

"There's a world of difference between no hidden fees and no fees," Armijo adds. "We did not want to make money on the service or account fees of our members anymore. We took the risk of doing something mostly unheard of with traditional financial institutions and removed all bank fees across the board."

How could Amplify maintain a sustainable business and keep branches open while simultaneously eliminating a significant source of income? A key driver was the efficiencies Amplify gained through its digital banking and partnership with Q2. "The only way we exist without fee income is with a superior digital strategy," Armijo says. "We keep our branch footprint small by design; this allows us to maintain lower operating expenses and keep more money in the pockets of our members."

"But we had to be sure that we would provide our new members a seamless online banking experience," Armijo adds. "We spent two years readying our systems for fee-free banking and ensuring that our online banking environment offered the right financial integrations."



About Amplify Credit Union

Headquarters: Austin, Texas

Founded: 1967

Current market: Fee-free banking for more than 50,000 members throughout Texas

Assets: \$3 billion

Q2 Partner Since: 2017

In Q2, we have found an ally—even an accomplice—in our never-ending effort to be the best financial institution in Texas.

Stacy Armijo

Chief Experience Officer

Q2

Key Platform Additions In 2021-2023

Plaid

All members can now link to their external accounts at other financial institutions in a matter of minutes—not days—and use our platform to manage their finances quicker than ever.

ClickSWITCH

With ClickSWITCH, members can switch their direct deposits and recurring payments to Amplify all at once. No more sending updated paperwork to multiple organizations and banks.

Card Controls

Members now control when, where, and how their debit card is used. Card controls offer real-time transaction notifications and a wide range of card options, including pausing their debit card spending in-app.

Transaction Limits

Amplify's updated transaction limits offer more responsive transaction tiers to members. These limits automatically move members between tiers based on their real-time transaction activities with us.

Solutions

With a transformative new banking experience in place, Amplify knew that it needed to be able to empower new members with cutting-edge digital banking tools and services. Thankfully, they knew they had a platform that provided both the customization and flexibility needed to bring their digital banking experience to the next level. “We wanted to avoid the mistake so many financial institutions make by trying to be all things to all people,” Armijo says. “Our research into fee-free gave us a clear picture of how our members save and spend, so each of our improvements to online banking was designed to deliver on the unique value members seek in that specific channel.”

And nearly two years after the launch of fee-free banking, the combination of zero bank fees and powerful digital services is making an impact. “The headline is that it’s working,” Armijo says. “Close to half our new members say that they heard we were the fee-free credit union in town. Word is getting out, and people are motivated by it.

“Members have been surprised and delighted to learn they’re keeping more money in their accounts than they expected,” Armijo adds. “A number of

them have deposited more funds, and those that have gone into overdraft have recovered more quickly and successfully.”

And it turns out, doing what’s right for the community helps the membership as well as Amplify’s bottom line. “What we’ve learned is that high-balance accounts bring affordable funds and that’s part of the strategy. But low-balance accounts bring a lot more interchange income,” Armijo explains. “So there’s a win, regardless of the member we’re attracting. It supports our ability to earn money in a value-driven way as opposed to earning money for something consumers feel are penalties.”

But for all the success Amplify has had with promoting fee-free banking, Armijo knows that it is still the day-to-day banking experience that wins and loses customers. “Saving our members money is important, but I truly believe the improvements we made to our digital banking experience in advance of fee-free have moved the needle just as much with our new members,” Armijo says. “We may think we have the best banking products on the market, but we still need to provide value through our digital channels. In Q2, we have found an ally—even an accomplice—in our never-ending effort to be the best financial institution in Texas.”

For more information go to Q2.com or call (833) 444-3469.