

Truist reckons with customer backlash after integration snags

By [Allissa Kline](#) May 11, 2022, 9:00 p.m. EDT 12 Min Read

Early last fall, Truist Financial in Charlotte, North Carolina, found itself in a favorable position.

The \$536 billion-asset company had [made big gains](#) in an annual bank reputation survey. It was rated as having an “excellent” reputation, ranking in the top 25% of large U.S. banks.

These days, however, some customers have a very different opinion about Truist after the company completed a technology integration over Presidents Day weekend in February. For some clients, the core systems conversion — the last and largest such event necessary to combine BB&T and SunTrust Banks into the juggernaut now called Truist — resulted in delayed access to their cash, difficulties activating and using their new Truist debit cards and excruciatingly long wait times for customer service.

The final stage of Truist's integration in February involved shifting nearly seven million legacy SunTrust customers to a new digital system, rebranding 2,000 branches and installing roughly 6,000 Truist signs across the company's footprint. *Bloomberg*

Since the switch, angry and frustrated customers say they have spent hours on the phone trying to resolve the issues. Some have sought help at branches. Many have aired their grievances on social media. Others became so exasperated that they filed complaints with bank regulators.

In March, the Consumer Financial Protection Bureau received 527 complaints against Truist, according to the agency's consumer complaint database. That's up more than 81% from the number of complaints filed in January, and more than 120% higher than the number filed in March 2021.

“It's been extraordinarily frustrating and confusing,” said Branden Lisi, a small-business owner who was on hold for hours trying to order a business credit card for one of his store managers.

Lisi, who opened a SunTrust business account in 2007 when his company expanded to Atlanta, did not wind up filing any complaints against Truist. But he's now looking for a new bank, he said.



“I do not want to spend time, effort or energy finding another bank,” said Lisi, who also has some personal accounts at Truist. “But my experience with Truist has been universally not good.”

A detailed — and lengthy — integration process

Truist’s final systems conversion was, by all accounts, a massive undertaking. It involved shifting nearly seven million legacy SunTrust customers to the new Truist digital system, rebranding 2,000 branches and installing approximately 6,000 Truist signs across the company’s footprint.

It was also the culmination of a [painstaking technology integration](#) that Winston-Salem, North Carolina-based BB&T and Atlanta-based SunTrust began planning more than three years ago when their blockbuster merger was [announced](#). The strategy went something like this: evaluate each company’s existing technology inventory, pick and choose the best components and discard whatever remained while building digital channels for mobile and online banking applications from scratch.

Early in the integration planning stage, the final systems conversion was expected to happen in mid-2021. But the pandemic forced Truist to [delay the project](#) as information technology staff and other vendors prioritized essential tasks such as setting up remote-work capabilities, rolling out the Paycheck Protection Program and helping customers get access to branches where lobbies had closed.

Still, not all of the integration work was stalled. During a nearly two-year period, Truist closed branches, shrank its back-office space and upgraded customer contact centers, ATMs and digital payment systems. It moved Truist Securities and its wealth brokerage and wealth trust units onto new platforms. And it [transitioned](#) legacy BB&T customers over to Truist’s new digital system.



“Our team did an incredible job in resolving client challenges with urgency and with a view toward long-term client and teammate experience improvements,” Truist CEO Bill Rogers said during the bank’s April 19 earnings call. “My commitment, though, is that we will not rest until every client is satisfied.”

In preparation for the final systems conversion, Truist conducted two “successful dress rehearsals,” one in December and another in January, CEO Bill Rogers told analysts during the company’s fourth-quarter earnings call. At that time, he expressed optimism about the actual conversion.

“The momentum we have going into 2022 — combined with being ‘one Truist’ across all dimensions, technology, digital, brand, products, process — gives me great confidence in our performance and potential as we make and complete this pivot,” Rogers said during the Jan. 18 call.

'Nothing they could do'

But when the switch finally happened, there were snags. According to a letter Truist sent to customers in March, “a small subset” of the company’s clients “experienced challenges,” such as having trouble activating debit cards and enduring unusually long wait times, in the days that followed the conversion.

The company said there were “no broad system issues” and apologized to those affected, saying it was “deeply sorry for the stress and frustration this caused.”

For some customers, however, the challenges created by the integration have been hard to bear. Issues raised in complaints on Twitter and Facebook have run the gamut from inactive and missing debit cards to nonoperating ATMs to difficulties using certain features of mobile and online banking.

Many of the complaints have revolved around customer service, with customers telling stories about waiting hours to talk to a representative or never managing to reach anybody at all.

Last month, John Runyan, who became a SunTrust customer in 1984, tweeted Truist directly after a business check that he deposited into his Truist account was put on a 10-day hold. His message: “It took Truist just two [months] after taking over Suntrust to end our 38-year banking relationship. You cashed my deposit, you were paid, but your branch manager can’t free the funds for 10 days and I can’t phone staff. See you later. Did I mention your website sucks?”

In an interview, Runyan said that he did not know at first that the business check was put on hold. That was a problem, as his wife had already begun allocating the funds. When they contacted Truist by phone, they were told the check was inaccessible because Runyan had forgotten to sign an IRS refund check that the couple deposited on the same day as the business check.

“So she goes into a branch in Alexandria [Virginia] and I go into a branch on Capitol Hill and neither branch manager could offer a solution,” said Runyan, who runs a public affairs consulting firm. “There was nothing they could do. Every ounce of authority had been taken away.”

The check was finally released, but the experience left a mark. A few weeks after the incident, Runyan opened two accounts at Bank of America, where he has an existing relationship, and said he is now in the process of moving funds and closing the Truist account.

“I hope to never again be at the mercy of a bank that can put my financial reputation at risk while lacking the ability to correct the error,” he said.

Truist so far has not responded directly to Runyan’s Twitter post.

On Wednesday, a spokesperson for Truist said the company cannot comment on specific client matters due to the need to protect the privacy of those clients.

An uptick in consumer complaints

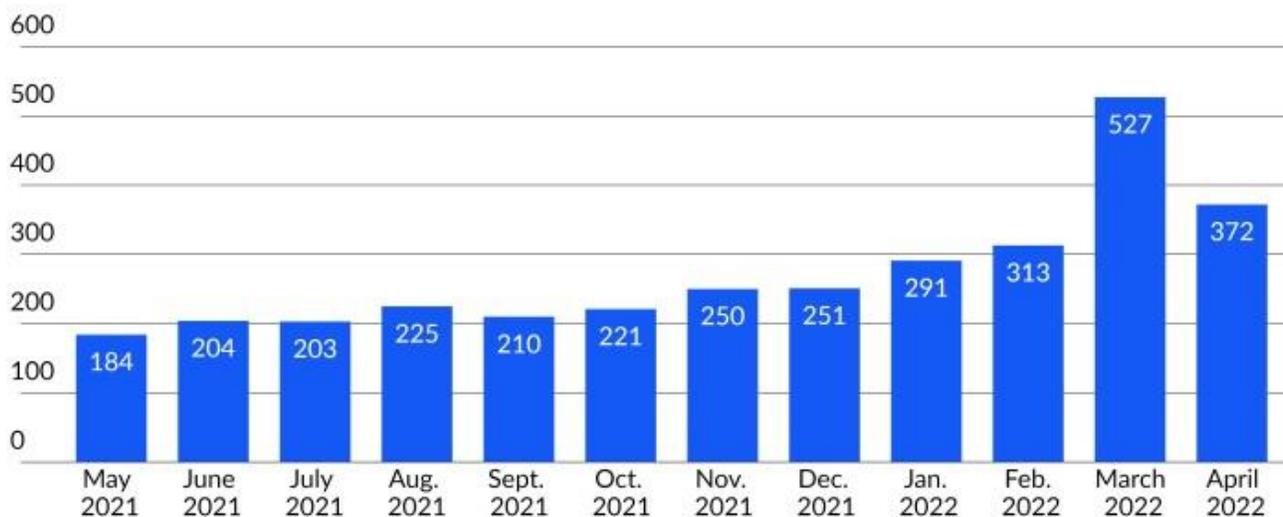
Plenty of Truist customers have filed complaints with the CFPB and other regulatory bodies. Companies generally respond to such complaints within 15 days, but in some cases they may have up to 60 days to provide a response.

Spokespeople for the CFPB, the Federal Deposit Insurance Corp. and the North Carolina Commissioner of Banks declined to comment about the complaints they have received.

But an analysis of the most recent information on the CFPB consumer complaint database reveals some of the problem areas following Truist's February integration. Of the 527 complaints filed in March, 256 — or 48.6% — were about “checking or savings accounts.” Of those 254, 229 were about “checking accounts,” the database showed as of Wednesday.

Gripe gauge

Consumer complaints to the CFPB about Truist spiked in March, shortly after the company's last big merger-integration step. They eased in April, though that figure will likely be revised.



Source: CFPB

In March, “mortgage” problems garnered 109 complaints, and “credit reporting, credit repair services or other personal consumer reports” generated 56 complaints.

The 527 complaints in March were broken down into specific categories. Issues related to “managing an account” topped the list with 189 complaints, followed by 80 complaints about “trouble during payment process” and 31 complaints about “incorrect information on report.”

Complaints to the CFPB are not verified independently by the bureau. Rather, the CFPB sends them directly to companies to get a response. The complaints are published in the CFPB's database after a company has confirmed that it has a relationship with the consumer, or after 15 days of being notified of the complaint, whichever comes first.

Truist is not the only company that has experienced an increase in CFPB consumer complaints at some point during the past year. The number of complaints in March totaled 61,957, an increase of 50.5% from the same month in 2021, according to the database.

Marcia Tal, a former Citigroup executive, analyzes the CFPB database as part of her work as CEO of Tal Solutions, a data analytics company that has created a platform called PositivityTech to help banks uncover growth opportunities by analyzing their own customer complaints.

Tal reviewed Truist's complaints and noted the "marked increase in the number of complaints" during March. She also compared the percentage of severe complaints about Truist versus the percentage of severe complaints about pre-merger BB&T and SunTrust.

"While BB&T and SunTrust would have had 9-10% of complaints in the highest severity category, Truist is about 16%," Tal told American Banker in early April. "That's a way of saying there are more frustrated customers post-merger than within each institution pre-merger."

Of course, Truist isn't alone when it comes to customer complaints during and after a merger. Last October, when PNC Financial Services Group in Pittsburgh completed the conversion following its acquisition of BBVA USA, the CFPB database recorded 305 complaints against PNC, an increase of more than 50% from September. The conversion involved transitioning 2.6 million customers, 9,000 employees and nearly 600 branches across seven states over to PNC.

In November, the number of complaints against PNC declined to 281, the database shows.

It's hard to say whether there were as many or more problems with Truist's integration compared with deals of similar sizes, said Stephen Scouten, an analyst at Piper Sandler who covers Truist.

"There is always noise around large integrations, and this is one of the biggest we've seen, certainly in the last 10 years, so some of it was expected," Scouten said.

One likely reason the number of complaints against Truist rose so dramatically: an increase in consumer-to-consumer interactions on social media platforms. Consumers who use social media are filling each other in about how to make formal complaints against banks, said Rajesh Vijayaraghavan, an assistant professor at the University of British Columbia Sauder School of Business in Vancouver.

"What I found as one of the most interesting ways in which this escalated [at Truist] was the grassroots efforts of the Facebook community and the messaging [between] Truist customers," Vijayaraghavan said. "I think that is telling around the way that we consumers seek support when we are frustrated, and we can't get directly to the companies that we do business with."

Truist responds

Truist itself has addressed the issues on multiple occasions, acknowledging that there were problems — and that some challenges remain. During its first-quarter earnings call in April and later last month during the company's annual shareholder meeting, Rogers said that while the integration was "successful overall," it was "impossible" to complete a project this large perfectly.

"Our team did an incredible job in resolving client challenges with urgency and with a view toward long-term client and teammate experience improvements," Rogers said during the April 19 earnings call. "My commitment, though, is that we will not rest until every client is satisfied."

To help address the problems, Truist is "increasing the staffing in [its] contact centers, putting enhanced technology solutions in place and fixing certain processes to enhance the overall customer experience," Rogers said during the shareholder meeting.

The nation's sixth-largest bank will offer a \$750 line of credit to customers who need short-term liquidity, and will gradually become less reliant on older accounts that charge the controversial fees. With the plans, Truist is moving in the same direction as many large and midsize banks.

Truist declined to make an executive available for an interview. The company also declined to say how many staff would be added to the call centers and when, what the current average wait time for customer service currently is, whether a callback feature will be added to avoid long wait times and how many checking accounts were closed in the weeks following the integration.

Scouten said he was surprised that Rogers brought up the issues during the recent earnings call.

“It’s one of those things that banks tend to brush under the rug because it’s not financially attributable, and those calls are about numbers and strategy, and this was more like a mea culpa,” he said.

The difficulties are making some customers rethink their current or future relationships with Truist. Tim Herzog, a data scientist in the Washington, D.C., area, was a legacy SunTrust customer with several checking and investment accounts at Truist. Earlier this year, as he prepared to start a small business, he opened a new business checking account at the bank.

But a few weeks after the conversion, Herzog said that he and his wife went to their branch to upgrade their safe deposit box. Despite having an appointment, they waited 30 minutes with no service before they gave up and left the branch, he said. The pair made a quick call to a nearby competitor, Burke & Herbert Bank in Alexandria, where they got a larger safe deposit box that same day.

On Wednesday, Herzog said he has decided to switch his small business accounts to Burke & Herbert and close the small-business accounts that he previously opened at Truist.

“Originally we thought it made sense to have all or most of our accounts at one bank,” Herzog said. “But if all of our accounts are [at Truist] and every single question, no matter how trivial, becomes a one-hour wait, then it becomes a liability. I regret opening the new checking account.”

Whether the challenges will have a lasting impact on Truist’s reputation remains to be seen. Despite the negative stories from existing customers, the company — which is now the No. 7 largest bank in the country based on assets — will still attract new customers, Scouten said.

One positive sign: the number of CFPB complaints in April currently totals 372, which is substantially lower than the March total, according to the latest numbers from the database. The April figure will likely be revised as the CFPB continues to analyze the complaints.

“I do think there will be some reputational damage at the local market level, especially the smaller markets,” Scouten said. “But again with a deal that large, you know it’s not going to be perfect.

“So you try to do the best you can and minimize the impact to customers and hope that any reputational damage is not catastrophic and there’s not a long-term impact ... and that once you get past that, the normal operating procedures are not disruptive any longer,” he said.