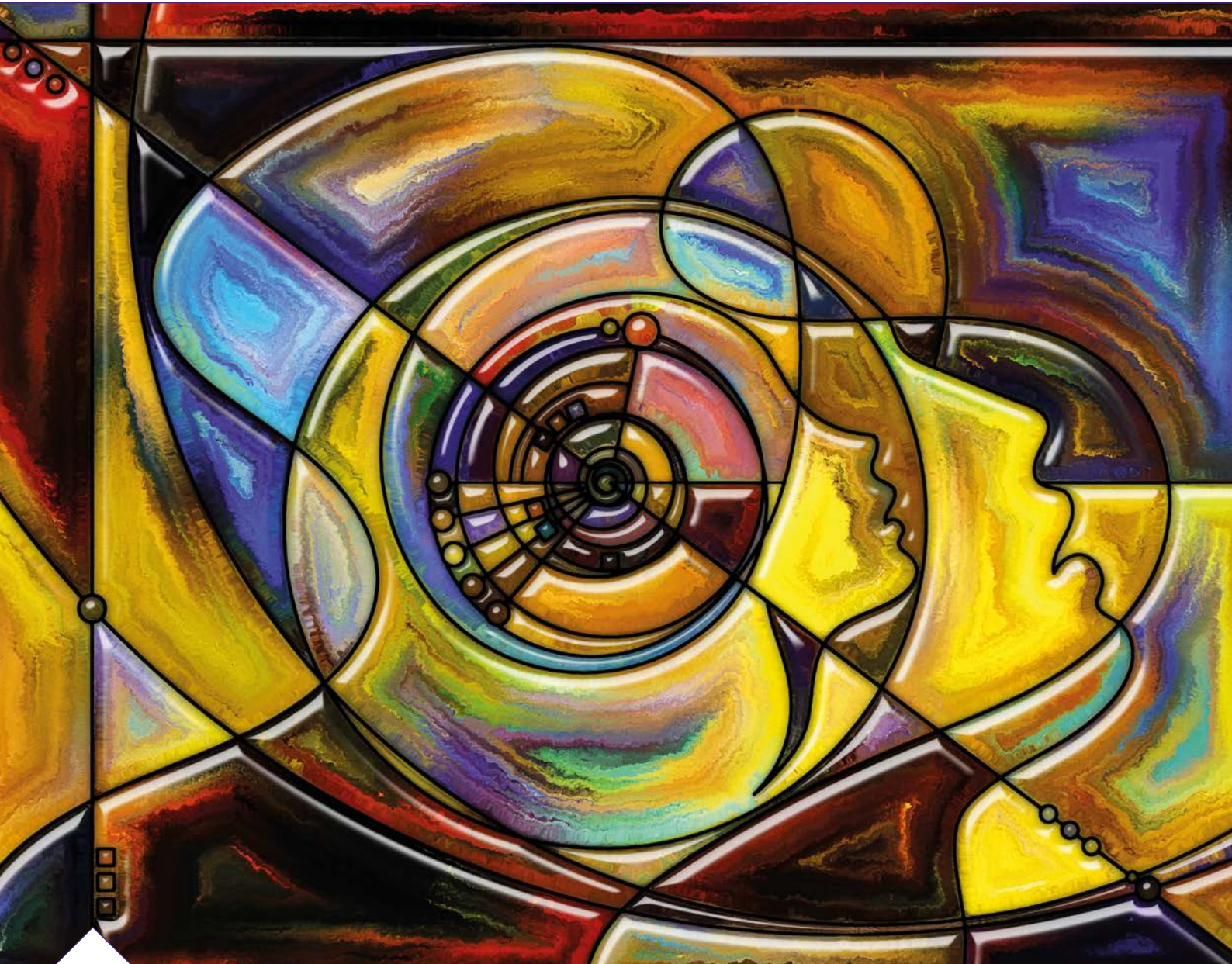




# banking technology

The definitive source of news and analysis of the global fintech sector | March 2024

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## **CREATIVE THINKING**

How a borefest could lead to the best ideas

## **IT PAYS TO BE ALTERNATIVE**

Which payment method will win out?

## **ACTING ON AI**

European regulators ready to make their move

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# Nominations are now open!

The seventh annual **PayTech Awards** will be returning in 2024 on **28 June** at the **Merchant Taylors' Hall** in London.

These prestigious awards recognise excellence and innovation in the use of IT in the finance and payment industry worldwide.

To submit your nomination visit [paytechawards.com](https://paytechawards.com)

[Submit nomination](#)



## EDITOR'S NOTE



**Tanya Andreasyan**  
Editor

Welcome to the March edition of the magazine, containing the most interesting stories and happenings, punchy opinions, comprehensive analysis and much more from the world of banking payments and finance.

This month brings spring shoots in fintech. Avenue Bank, a digital business bank in Sydney, has received an unrestricted banking licence. Founded in 2018, it specialises in providing bank guarantees for Australian SMEs looking to secure commercial leases from landlords.

In the UK, Enfuce, a Finnish issuer processor, has bagged a UK electronic money institution (EMI) licence. It has also appointed fintech veteran Laurence Krieger as chairman of its UK board of directors. Krieger is also CEO of a new digital retail challenger bank that's currently in stealth mode – a spring bulb, perhaps.

Another paytech, Volt, has also been granted a UK EMI licence, adding to its existing European licence in Poland. Its offering includes providing virtual accounts as a standalone product.

But spring also brings pruning. Treasury Prime, a California-based Banking-as-a-Service (BaaS) provider is "reorienting its business" to focus on selling its tech directly to banks and no longer to fintechs. "It's become increasingly clear to me that the future of embedded banking is through bank-direct, fintech partnerships," states CEO Chris Dean.

He emphasises though that its existing fintech clients will not be affected. "There should be no impact on their business," he says. "Literally none. In fact, we are putting additional, dedicated resources in place so that we can respond to fintech clients more quickly." Yet there will be job cuts, of course. Around half of Treasury Prime's 100 employees reportedly could be affected. Turn to p7 to see who else is doing similar spring pruning.

As always, we'll continue to keep a watchful eye and report on the industry as the year marches on. Visit [fintechfutures.com](https://fintechfutures.com) for your daily dose of fintech!

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# NEWS ROUND-UP

## Euro Parliament approves new instant money transfer regulations



The European Parliament has adopted a fresh set of regulations in a push to guarantee that euro money transfers arrive in bank accounts within seconds throughout the EU.

The newly agreed guidelines revise the current Single Euro Payments Area (SEPA) protocols.

Banks and other payment service providers (PSPs) will now be responsible for the immediate processing of credit transfers. Regardless of the time of day, PSPs must ensure that when transferring funds the recipient receives the money into their account within ten seconds.

Moreover, the payer must be informed, within the same timeframe, whether or not the money has been successfully transferred to the recipient. These regulations will be enforced across all member states.

The European Parliament adds: "Member states whose currency is not the euro will also have to apply the rules, where the accounts already offer regular transactions in euro, after a longer transition period. There will be a special derogation from making the payment within ten seconds for such accounts outside business hours, given possible concerns about access to liquidity in euro."

In addition, PSPs must implement a set of ID verification and fraud detection solutions "without any additional charges or fees".

## Capital One acquires Discover Financial Services in \$35bn deal



US financial services giant Capital One is set to acquire Discover Financial Services in an all-stock transaction valued at \$35.3 billion.

Founded in 1986, Discover Financial Services is a digital banking and payment services company and one of the largest card issuers in the US.

Capital One holds \$348.4 billion in deposits and \$478.5 billion in total assets. Its founder, chairman and CEO, Richard Fairbank, says the aim is "to build a payments network that can compete with the largest payments networks and payments companies".

Capital One expects the transaction, which is planned to close in late 2024 or early 2025 and is subject to regulatory and shareholder approvals, to deliver a return on invested capital of 16% in 2027, with an internal rate of return of over 20%.

## Swedish VC firm Kinnevik writes off Monese investment

Swedish investment group Kinnevik says it has written off "the entire carrying value" of its investment in Monese, a UK-based financial services and technology provider.

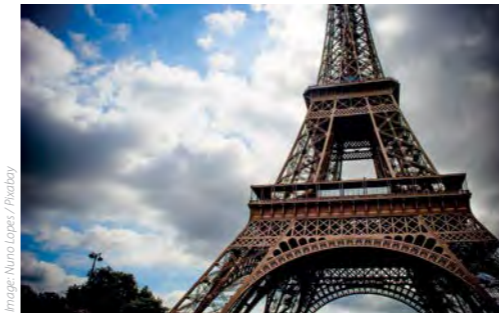
The group has owned 21% of Monese since leading its \$60 million Series B back in 2018. But as per its Q4 2023 report, the investor says it has "sought to make large write-downs or write-offs in our portfolio's long-tail of companies where our conviction has come down", a move that includes "a full write-off of Monese".

Meanwhile, Monese is hoping to attract more funding in 2024 after recording a £30.5 million loss for the 2022 financial year. In its recently published accounts, group founder and CEO Norris Koppel said the firm "is reliant on access to sufficient amounts of new funding to finance its current operations and growth plans".

Speaking to *FinTech Futures*, a Monese spokesperson says it has begun 2024 "in a positive position on the back of strong performance in 2023 which saw continued revenue growth, and losses reducing to low single-digit millions".

"The group's current funding requirements are low as it approaches profitability in the near term. We are confident that we will be able to raise these funds in the short term, given recent discussions with new investors and supportive existing shareholders," the spokesperson adds.

## India's UPI teams with Lyra Network to launch in France



The National Payments Corporation of India (NPCI) has announced a partnership with French payment services firm Lyra Network, facilitating the acceptance of the Unified Payments Interface (UPI) payment method in France, starting with purchasing tickets for the Eiffel Tower. The service is expected to be quickly rolled out to other tourism and retail vendors across the country.

Indian Prime Minister Narendra Modi says the partnership "marks a significant step towards taking UPI global", adding: "This is a wonderful example of encouraging digital payments and fostering stronger ties."

Recently, Google Pay India has also joined forces with NPCI to expand the reach of UPI across the world.

## India's regulator orders Paytm Payments Bank to halt services

The Reserve Bank of India (RBI) has ordered Paytm Payments Bank to stop accepting deposits, offering credit services or facilitating fund transfers from 29 February, effectively bringing its banking services to a screeching halt.

Paytm Payments Bank has also been told to stop onboarding new customers "with immediate effect" and will need to settle all pipeline transactions initiated on or before 29 February by 15 March.

In a statement, the regulator attributes its latest action to "persistent non-compliances and continued material supervisory concerns in the bank, warranting further supervisory action".

Paytm Payments Bank is an independently operated subsidiary of Indian fintech One 97 Communications, which also acts as the parent company of digital payments giant Paytm. The payments bank provides nodal accounts to Paytm, in which it holds funds deposited into the fintech's various payment services, including its digital wallets.

In response to the order, Paytm Payments Bank says it is taking "immediate steps" to ensure its compliance, and is actively collaborating with the RBI to "address their concerns as quickly as possible".

As for One 97 Communications, the company confirmed that it would now "accelerate" its plans to "completely move to other bank partners", effectively bringing to an end Paytm's working relationship with Paytm Payments Bank.

It anticipates that the termination will have "a worst case impact" of between \$36.1 million to \$60.2 million on its annual EBITDA.

## Green Dot receives proposed consent order from US Fed



US-based digital bank and fintech Green Dot has received a proposed consent order from the US Federal Reserve, which the firm says relates "principally to various aspects of compliance risk management, including consumer compliance and compliance with anti-money laundering regulations".

According to Green Dot's recently published Q4 and full year financial results for 2023, these "relate to activities and practices that commenced prior to the company's CEO transition in 2020".

The firm says it has accrued an estimated liability of \$20 million related to the proposed consent order during Q4 2023, adding that "the estimate of the aggregate range of reasonably possible losses" could be up to \$50 million.

It also recorded a 4% year-on-year increase in its total operating revenues, which came in at \$1.5 billion. Its adjusted EBITDA fell 28% to \$170.87 million and non-GAAP net income fell 39% to \$85.21 million.

Jess Unruh, Green Dot's CFO, says the company faced "numerous headwinds" throughout 2023 that are now reflected in its latest financial performance, namely "higher interest rates, client de-conversions and elevated spending on a variety of initiatives, including our processor conversions".



For a healthy dose of daily news on all things banking, fintech and payments head over to the [FinTech Futures online news section](#).

# FINTECH FUTURES | WEBINARS

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### Get in touch with our team:

Sam Hutton  
 Head of Sales  
 sam.hutton@fintechfutures.com  
 +44 208 052 0434

Kate Stevenson  
 Business Development Manager  
 kate.stevenson@fintechfutures.com  
 +44 782 593 0099



## FINTECH FEED

### THE NUMBER GAMES

To read more about any of these stories, visit [www.fintechfutures.com/type/news](http://www.fintechfutures.com/type/news)

**57,028**

customers of Bank of America are thought to have been affected by a data breach following a security incident experienced by the bank's partner, the Indian digital services provider Infosys McCamish Systems (IMS), in November last year

**\$280 million**

credit facility secured by fintech firm Pagaya Technologies, led by investment management giant BlackRock with participation from Israel Discount Bank, UBS O'Connor, JP Morgan Chase and Valley Bank

**£600 million**

to be paid by Barclays Bank for the retail banking business of UK supermarket giant Tesco

**\$805 million**

in a combination of cash and debt to be paid by LPL Financial, the largest independent broker-dealer in the US, for the acquisition of Atria Wealth Solutions, a US-based wealth management solutions provider

**30%**

of the total number of ATMs and service centres operated by Canadian financial cooperative Desjardins Group set to go by the end of 2026 as more and more customers switch to online banking, according to Desjardins

**3,500**

jobs to be cut by Germany's banking heavyweight Deutsche Bank over the next two years as part of its ongoing €2.5 billion operational efficiency programme (it currently employs about 90,000 people worldwide); the bank says the cuts will mainly apply to "non-client-facing areas" as it looks to streamline its domestic business and lower annual total operating costs to €20 billion by 2025



**1,400**

jobs to be cut by payments firm Worldline – about 8% of its global workforce – in an effort to realise €200 million in run-rate cost savings as part of its recently launched Power24 "transformation ambition"

**900**

jobs set to go at Société Générale's head office in Paris, France – 5% of head office staff – as part of its plans to eliminate "hierarchical layers" and contribute towards €1.7 billion in gross savings by 2026

**550**

jobs to be cut at Toast, a US-based fintech providing point of sale (POS) software and hardware for the hospitality industry, as part of a restructuring plan after it posted a \$246 million net loss for the full year 2023

**\$126.3 million**

net loss over 2022 recorded by payments solution provider Checkout.com's UK business, marking an increase of more than 400% on the \$24.5 million loss it posted for 2021; during the same period, its total revenues fell slightly from \$259.6 million to \$246.3 million



### THEY SAID IT...

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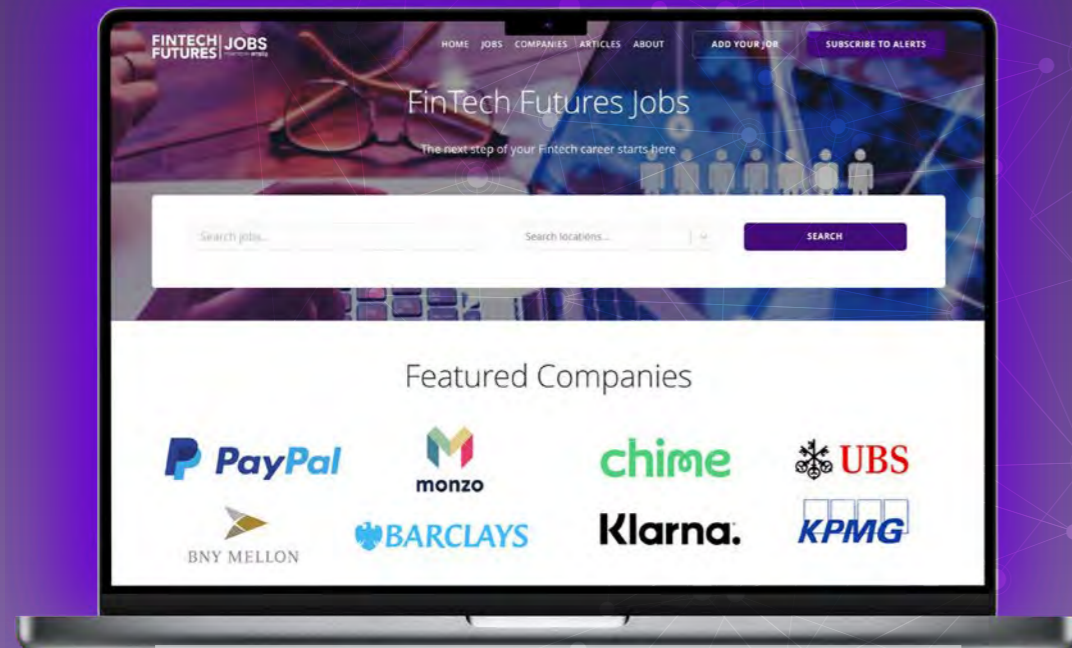
Thibault de Tersant, chairman of the board, Temenos, addressing the allegations of client dissatisfaction and accounting irregularities made in a recent report by Hindenburg Research

• Read the full article on the *FinTech Futures* website [here](#)

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## TRENDING

### Chase pursues new branch and renovation dream

US banking heavyweight Chase has announced that it plans to open more than 500 new branches and renovate more than 1,700 existing locations across the country by 2027 as part of a "multi-billion dollar commitment" to provide greater access to banking.

Chase, the consumer and commercial banking enterprise of JP Morgan Chase, predicts the move will create more than 3,500 jobs and will boost "local economic growth through construction, ongoing community investments and local hiring".

It hopes the creation of new branches will open up new markets for the bank, with a particular focus on servicing areas of "low-to-moderate income and rural communities with little access to traditional banking services". Chase currently claims to serve nearly 80 million customers.

The bank's investment will enable it to "continue to have branch locations that reflect the unique needs of the communities we aspire to serve today, tomorrow and for many years to come," says Jennifer Roberts, CEO of Chase Consumer Banking.

The news of Chase's proposed national expansion in the US comes after the company declared its European ambitions by entering the German and UK digital banking markets in 2023 and 2021, respectively.

In addition to the bank's branch expansion announcement, and as part of its national scaling, Chase has stated that it will be opening three new community centre branches, which are built with extra space to accommodate financial health workshops and other community events.

Also, this summer will see JP Morgan Chase introduce its JP Morgan branches following the firm's purchase of First Republic Bank last year. Most of the new JP Morgan branches will be located where previous First Republic branches used to be.

Overall, 20 JP Morgan branches are due to be set up by the end of 2024, with the first two locations in New York and San Francisco already under construction.

### PNC Bank in billion dollar branch expansion pledge

Another major banking and financial services player in the US, PNC Bank, plans to invest nearly \$1 billion in its branch network with the aim of opening more than 100 new branches and renovating more than 1,200 current locations by 2028.

PNC says the initiative has been set in motion in a bid to provide customers with greater access to banking services, with new branches set to open in "key locations" such as Miami, Houston, San Antonio, Austin, Dallas and Denver, among others.

Once all new locations have been completed, it will leave PNC with approximately 2,400 physical branches along with more than 60,000 ATMs across the US.

Speaking on the rationale for the company's investment, Alex Overstrom, head of PNC Retail Banking, claims that "whether to finance a home, deposit a check or save for retirement, our customers count on our 15,000 branch team members to support their holistic financial needs.

"By investing in our network, we are supporting our customers, our team members and the communities where we live and work," adds Overstrom.



# How enforced boredom could provide the perfect escape

By Dave Wallace



Have you ever found yourself staring out of a window or playing with random objects to combat boredom?

It's a common experience many of us can relate to, especially when we were younger.

But have you ever considered how boredom can act as a catalyst?

I was recently watching some random comedian on TikTok. He was hilarious and made a few interesting points, which got me thinking about creativity and boredom.

The comedian talked about his younger days. Back in those days, we seemed to spend a considerable amount of time staring out the window, making up games or playing with loo rolls, waiting for things to happen, like waiting for the few hours of kids' programmes to come on TV. Each of these activities involved occupying your mind as you tried to bat away boredom.

I have also been thinking a lot about how, when I turned 18, I was desperate to leave home, and as soon as it was practical, I packed up my things and moved out, never to return. This seems to be a common theme for many middle-aged people. Now, our children won't or cannot leave home. Obviously some practicalities are in play, such as house prices, the cost-of-living crisis and being saddled with debt.

But one thing that spurred me into action to break the cord was boredom.

There was so much time spent at home doing nothing that leaving and getting a crappy job to pay the bills seemed like a positively exciting option. And so it proved to be.

Since I left home in the early 1990s, all the voids between activities have been filled. We just about had the VHS, meaning you could record and watch a programme later. Looking back, the quality was pretty suspect – they should have gone for Betamax! And who can forget Donkey Kong? Now that was a game that could fill a few minutes.

The internet and its protocols ushered in new ways of accessing information, but you were always tethered to something such as a desktop. The mobile phone untethered us from the hallway telephone and phone boxes, and then in 2007, untethered pretty much everything else, to the point where now we can be entertained pretty much every minute of every day. Boredom has been squeezed out of the gaps. And that old devil of the law of unforeseen consequences comes to pass. This is just my POV, but what do the academics say?

The connection between creativity and boredom has been a subject of interest in psychological research. Several studies have explored how boredom can foster creativity by allowing individuals to

daydream, leading to novel ideas and solutions.

One notable study by psychologists Sandi Mann and Rebekah Cadman at the University of Central Lancashire investigated the relationship between boredom and creativity. Their research found that individuals subjected to a tedious task performed better on subsequent creative tasks than those not bored, suggesting that experiencing boredom can stimulate creativity by encouraging the mind to seek new and exciting stimuli.

Wanja Wolff, Vanessa Radtke and Corinna Martarelli have published a report called "Same Same but Different – What is Boredom Actually?". In it, they mention Leo Tolstoy, who characterises boredom in Anna Karenina as the "desire for desires", and also Bertrand Russell in his Nobel lecture, who stated: "Experience shows that escape from boredom is one of the really powerful desires of almost all human beings."

Overall, these studies suggest that boredom can serve as a catalyst for creativity under the right conditions. By embracing boredom as a natural part of the creative process and leveraging it to engage in reflective activities, individuals can unlock their creative potential and generate novel solutions to problems.

Why write this now? We are at a point where boredom may be about to disappear in its purest sense. The last vestiges are mangled out by, among other things, generative AI and the metaverse.

So, next time you embark on an innovation sprint or have a company away day, instead of thinking about fun activities, why not take a different tack and enforce boredom? Who knows what great ideas you may come up with. A genuinely world-changing fintech idea could be ten yawns and a watch of rain on the window away!



**Dave Wallace** is a user experience and marketing professional who has spent the last 25 years helping financial services companies design, launch and evolve digital customer experiences.

He is a passionate customer advocate and champion and a successful entrepreneur. Follow him on [X @davejwallace](#) and listen to the [Demystify](#) podcast he co-hosts.

# Payments: what's the alternative?

By Philip Benton, senior fintech analyst, Omdia

It's no secret that payments is my favourite aspect of fintech.

Judging the [PayTech Awards](#) is one of the highlights of my year as I get an early glimpse at how the landscape will change.

I've covered the space for more than a decade, and the progression of the technology has kept me fascinated. The shift from paper-based to card-based payments and subsequently physical to digital payments reflects how society has evolved.

However, the cultural and habitual factors of payments are always underestimated, hence why a wider shift to a new payment method initially appears slow before seemingly snowballing.

Today, consumers have more options than ever to make payments. So which method will ultimately win? Let's dive in.

## INVESTMENT IN PAYMENT ORCHESTRATION

While there is no suggestion that traditional payments such as card, ACH or even cash will disappear anytime soon,

the success of open banking in the UK and Europe and real-time payment rails UPI and Pix have led to global interest, with more countries looking to adopt alternative payments to digitalise economies.

According to the [Omdia 2024 Trends to Watch: Payments](#) report, more than a third of payment issuers and acquirers listed alternative payments (instant payments, digital wallets and cryptocurrencies) in their top-three IT projects for the next 18 months.

The vast increase in payment methods that consumers are now demanding has necessitated the need for a modern payment orchestration platform to ensure seamless routing and processing. In fact, 58% of issuers/acquirers plan

to increase their spend on payment orchestration/payment hubs, including 25% of respondents who will be increasing spend by 6% or more.

However, payments are inherently habitual, so shifting consumer preference towards alternatives to drive mass adoption of newer payment methods requires the entire payment ecosystem to increase education and awareness to ensure consumers are comfortable and familiar.

The user experience has to be a vast improvement on their default payment method and should not only be easier and more convenient, but should also maintain the same (if not higher) level of security.

## DIGITAL WALLETS KEY TO ADOPTION OF ALTERNATIVE PAYMENTS

Digital wallets were initially introduced to replicate physical wallets in an online environment, and thus acted as a layer

on top of existing payment methods (for instance, debit and credit cards). The roll out of QR codes in Asia and near-field communication (NFC) technology in Europe and North America saw mobile digital wallets take off as an in-store payment method.

Digital wallets have since become the world's leading payment method for both e-commerce and POS transactions, according to Worldpay's Global Payments Report 2023, and are forecast to account for 54% of e-commerce payments and 43% of POS transactions by 2026.

Issuer banks have recognised the threat posed by non-traditional rivals and in turn have used digital wallets as a spur to accelerate their own customer acquisition. Although integrating third-party digital wallets is important for merchants and acquirers, issuer banks are looking to compete directly with Big Tech (for instance, Apple Pay and Google Pay) at the checkout.

Early Warning Services, the US bank consortium, is set to launch its e-commerce-only digital wallet [Paze in Q1 2024](#) and will not charge any fees to merchants for at least the next few years. After customers authenticate themselves and get access to the wallet, Paze also 'pre-selects' the cards it thinks are most relevant for the consumer based on their historical e-commerce behaviour. Participating

institutions include Early Warning's co-owners Bank of America, Truist, Capital One, JP Morgan Chase, PNC Bank, US Bank and Wells Fargo, which encompasses about 150 million cardholders.

Similarly, the European Payments Initiative (EPI) is launching its digital wallet solution 'wero' by mid-2024. It will launch initially in Belgium,

France and Germany followed by the Netherlands, with the aim to extend to other countries in the years to come.

As new payment methods emerge, such as central bank digital currencies (CBDCs) and 'pay by bank', a common platform is needed to flourish, and digital wallets fit the bill as they already have high adoption rates. Digital identity is increasingly a focus of sovereign governments and digital wallets again can be the vehicle to ensure a successful rollout.

## OPEN BANKING: THE CATALYST FOR DIGITAL IDENTITY ADOPTION

Open banking as a concept is almost six years old, and in that time, payment issuers and acquirers have been focused on introducing new open banking-powered payment services (for instance, Pay by Bank) that have grown in popularity to serve niche segments, such as the luxury and hospitality sectors.

There is evidence that markets that were initially regulatory-driven are beginning to experiment with innovative



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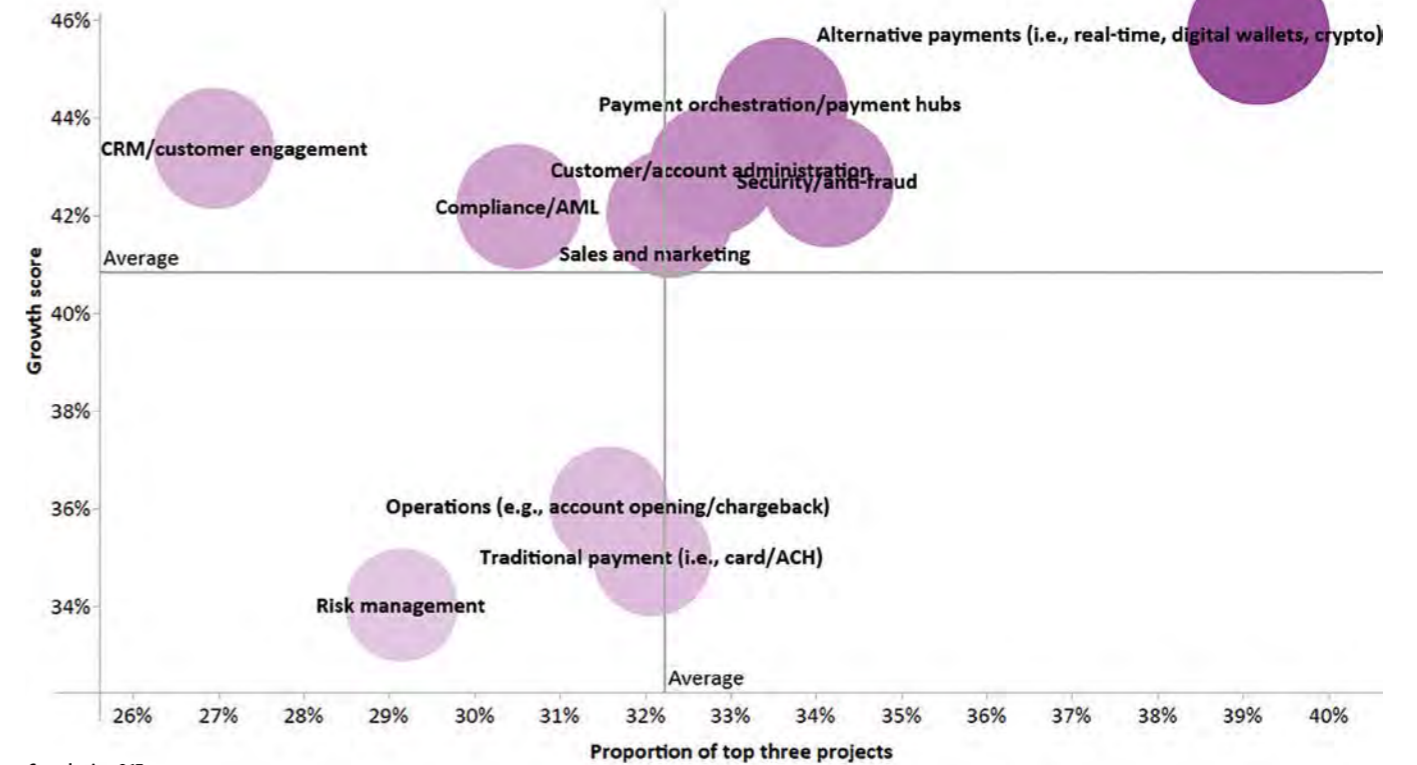
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## Everyone's Banking Platform

### IT prioritisation



Sample size: 267  
Questions: X-axis - In what business areas are your top three IT projects (in terms of total investment value) for the next 18 months? Y-axis - What are your IT spending plans for each of the above systems during the next 18 months? (Growth score = % increasing - % decreasing).  
The bubble size represents the relative investment priority. Vertical: Payments issuers/acquirers. Country: All. Enterprise size: All. Source: Omdia

services on top of the established infrastructure. For the first time in Omdia's annual payments survey, 'providing digital identity services' is the top open banking opportunity as selected by more than a third of payment issuers/acquirers surveyed by Omdia.

The exponential growth of digital services has also caused a surge in online scams and fraud with many legislators calling for a digital identity document to be used for payments, other financial services and storing digital documents. The European Union is currently in the process of creating a digital identity document of its own, seemingly not trusting the existing Big Tech sign-in methods to be secure enough as a link to a government ID.

As we embrace a new world in which data is more freely available, digital identity is going to be fundamental to unlocking new segments of the market and ensuring consumers and businesses can better access, manage and grow their finances.

### CX IS DRIVING PAYMENT INFRASTRUCTURE INVESTMENT

Although a plethora of new and innovative payment methods have emerged as an alternative to traditional payments, adoption has been slower than anticipated. This is in part due to an inconsistent and unreliable customer experience (CX) that doesn't incentivise consumers to change behaviour.

Brazil's Pix and India's UPI have become the blueprints of how to roll out new payment methods, with collaboration between all stakeholders (government, merchants, payment issuers/acquirers) vital to ensure strong adoption.

Open banking payments, while still in the nascent phase, have generally struggled to be adopted by consumers due to an inconsistent user experience. The user experience varies significantly depending on the bank, merchant and open banking provider. The APImetrics report on UK open banking API performance in 2022-23 found there was a six-times difference in total latency

between the fastest and slowest banks, which is a big barrier to universal adoption.

However, I remain bullish on the future of open banking payments. Contactless technology and digital wallets took many years to establish themselves as the norm, and the same will happen for open banking payments for certain use cases.

Ultimately, I am anticipating more payment methods to emerge. The ones that survive and subsequently thrive will be because they reflect the current and future needs of society at large.



Philip Benton is a principal fintech analyst at Omdia and writes analysis on the issues driving technological change in financial services. Follow him on [LinkedIn](#) and X ([@bentonfintech](#))

# One core to rule them all: part two

By Dharmesh Mistry

In last month's issue, I discussed the high-level business requirements or capabilities that the ultimate core banking solution should support.

This week, I'll take a look at the technical requirements.

As I said previously, there is no point in specifying something as a requirement if it cannot be fulfilled. This is most easily seen with technical requirements. The cost and capability of technology has dramatically changed since the very first core banking solutions were created in the 1960s. In that timeframe, banking too has dramatically changed. Some of my requirements are not new, but mostly I'm looking to cover what's not possible with legacy technology.

My high-level technical requirements can be summarised as follows:

## Composable

As I have written a lot about this before, it is clear that I'm a fan of composable

solutions. Standards like BIAN that define the components of a complete banking solution are key to enabling composability.

Composability enables the 'eat as much as you like' (EAMAYL) requirement I discussed in my last article. However, it also fulfils the requirement of not having to rely on a single vendor for everything in your solution. Composability requires the core banking solution to be componentised.

These days, solutions such as microservices enable components to not only be developed and executed separately, but also deployed individually. This simply was not possible before. Composability fosters greater innovation and progress for banking software as new players increase competition to serve banks better.

## Flexible

When I first started in banking software, the mantra for development was "build to spec". Why build in flexibility to support something we don't have requirements for? It's one of the reasons banks have multiple cores. In our ultimate super-core, we must have flexibility everywhere, not just the flexibility to support product innovation or to replace suppliers.

## Scalable

In the past, if you wanted to grow, you would need to buy a bigger mainframe because it wasn't possible to scale using the software. These days, it's now possible to do this AND control resources (memory, threads and so on) at a more granular level. This is not only more efficient, but it also allows you to scale further – at some point even hardware will have limits.

This makes software development

much more complex, as componentising the previous monolith is not simple. These components have to be able to run independently – something you need not worry about in a monolithic solution.

Again, without getting too deep, there are many other technical challenges when it comes to leveraging software scalability. However, it's important to realise that the first generation of 'cloud banking software' typically was just enabling the monolithic software to run in a cloud environment and not gaining the full advantage of designing specifically for a cloud environment.

## Deploy anywhere

This may be controversial, but I'm going to put it out there anyway. It is not a given that banks should move everything to the cloud. With Software-as-a-Service (SaaS), banks can consume all these different software

services that are running on different cloud providers. This makes things such as business resilience harder for banks as they are still accountable for what these solutions do even though they are not under the banks' control (more on this in future articles).

Indeed, the challenges are significant enough that I hear some banks are considering moving solutions back on premise. So, our solution should be designed to be deployable natively on the cloud as well as on premise.

## Secure

This is a given, so I will state the obvious: things are much more complex when you have parts of your solution running in different environments/clouds. In addition to this, banks have a small taste of the challenges when providing API access for external parties for open banking. Many banks are also now joining the BaaS party, typically using third-party solutions, which further adds to the burden on their security teams.

When you consider these requirements

– and I know there will be others you've thought of – it's easy to see:

- why banks should consider modernising their core as a minimum, if not replacing it altogether.
- why banks and incumbent core vendors can't migrate their solutions to new technology.
- why the next generation of core banking software is very different from the past.

## CONCLUSION

This issue, I'm just saying that in the past, technology simply automated banking. Now, the business of banking is changing and will continue to do so, and much of that is only possible with new technology. One example of this is that BaaS is a shift from banks owning distribution channels to focusing on manufacturing products and services and letting others manage their customers.

I don't think there is any product on the market that delivers the ultimate core banking solution, certainly not one that can support an entire bank spanning different customer segments, products, geographies and brands. However, some players are much closer to offering 'one core to rule them all' than others.

■ If you think I missed any really important requirements, please don't hesitate to let me know on [LinkedIn](#) and [X @DharmeshMistry](#).



Dharmesh Mistry has been in banking for more than 30 years and has been at the forefront of banking technology and innovation. From the

very first internet and mobile banking apps to artificial intelligence (AI) and virtual reality (VR). He has been on both sides of the fence and he's not afraid to share his opinions.

He is an entrepreneur, investor and mentor in proptech and fintech. Follow Dharmesh on [X @dharmeshmistry](#) and listen to the [Demystify](#) podcast he co-hosts with [Dave Wallace](#).

# How the EU AI Act could transform financial services

By Tyler Pathe, reporter, FinTech Futures

While artificial intelligence (AI) has enjoyed a huge spike in popularity across all provisions of financial services over the last year or so, European regulators have set themselves the ambitious task of keeping on top of a technology that appears to show no signs of slowing down with the imminent arrival of the EU AI Act.

AI's impact on the evolution of financial services has extended to everything from the personalisation of the banking experience for customers to streamlining lending assessments to alpha investing strategies and avant-garde chatbot services. As such, the technology has thoroughly left no stone unturned in its effort to make its mark on the market.

And while it has cultivated myriad benefits for the industry and the customers it seeks to serve during its rise to prominence, it is this very prominence that has spurred regulators to question, at length, the potential risks of a technology experiencing such a proliferation of innovation.

How and why AI produces the decisions that it does appears to be among the top considerations for the European Commission (EC) which, since 2021, has sought to deliver a first-of-its-kind regulation that aims to bring the technology into a more desirable scope.

## RIGHTING THE RISK

At its core, the EU AI Act seeks to implement a horizontal regulatory structure capable of ensuring that any system that is placed on the EU market is altogether trustworthy, safe and lawful. It will apply to both providers operating within the EU and also to third-party providers based in other countries.

The EC has adopted a risk-based approach to achieve this, and will use its latest regulation to determine whether a system, as pre-defined by the Organisation for Economic Co-operation and Development (OECD), presents an unacceptable, high, limited or low/minimal level of risk to the end user.

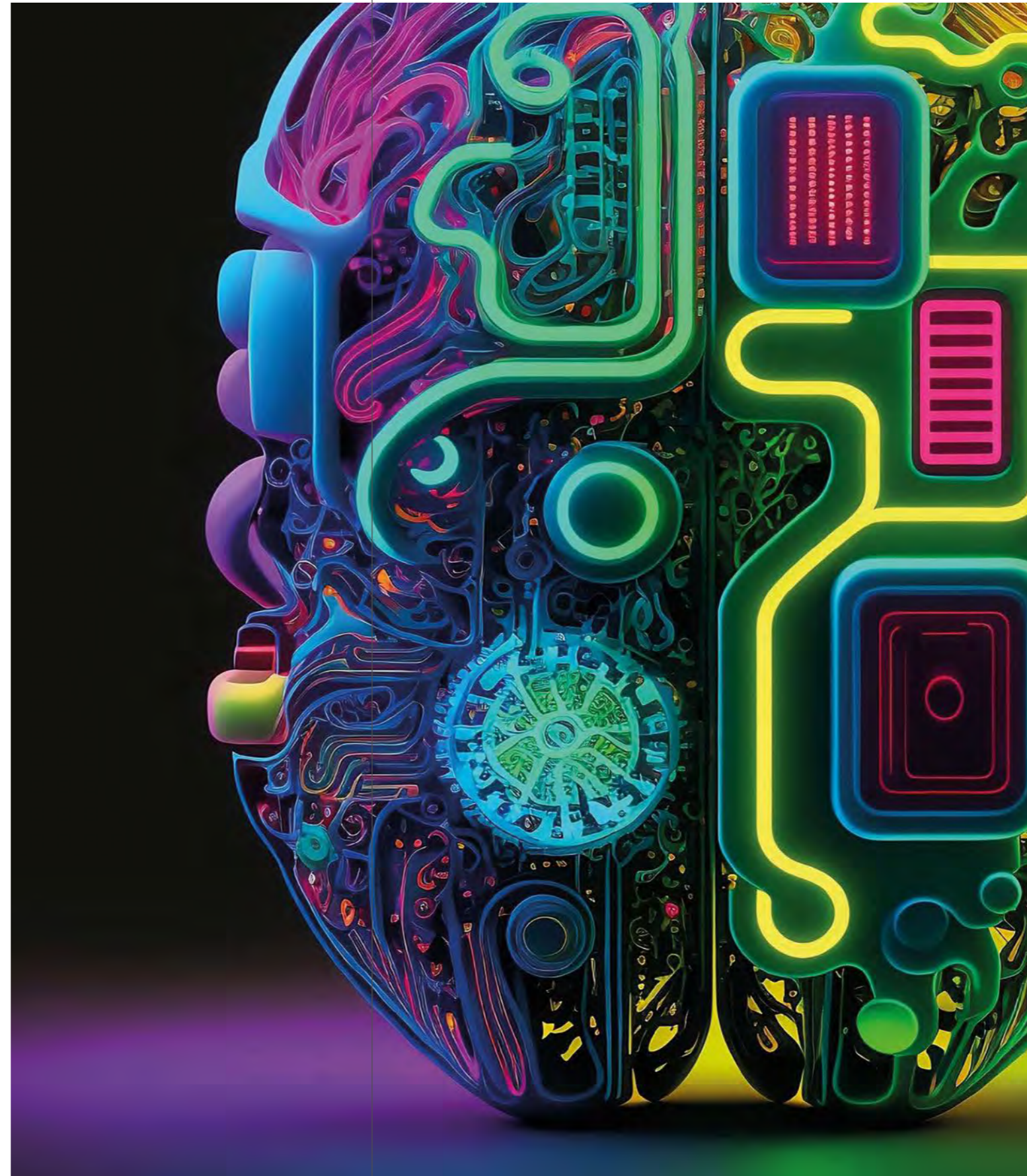
A system's scoring on this chart will determine which level of regulation it falls subject to. Those presenting an unacceptable level of risk are prohibited by the EC, with the blacklist including identification systems that use biometric technology remotely, systems that encourage dangerous behaviours through cognitive manipulation, and also those that can be used for social scoring purposes.

Moving down the chart, high-risk systems – or those that could potentially pose an “adverse impact on people’s safety or their fundamental rights” – will be permitted, according to the draft regulation, but will need to adhere to a new set of rules.

These rules pertain to risk management, data training, transparency, cybersecurity and testing, and will require providers to register with an EU-wide database prior to distribution.

The act divides high-risk systems into two separate subcategories: systems that are used in products that fall under existing product safety regulations (namely cars, medical equipment and toys) and systems that are used in biometrics, critical infrastructure management and law enforcement, along with five other areas of industry.

Further down, systems that present a limited level of risk to the end user, including chatbots and biometric sorting systems, will now have to operate under “a



limited set of transparency obligations”, the EC says.

This will see AI-generated audio, image and video content be labelled as such, giving the user the option as to whether or not to continue their interaction with the technology.

Although low/minimal-risk systems, by default, will not need to conform to any additional regulatory requirements, it is being encouraged by the act that providers of such systems abide by a theorised “code of conduct” that would take a similar shape to the regulation incurred by their high-risk counterparts, chiefly for the purpose of aiding market conformity.

Elsewhere, the act also makes special provisions for generative AI (GenAI) and the content it generates, as well as the delegation of national supervisory and market surveillance bodies.

This nutshell view of the regulation’s progress thus far confirms that the EC is actively pursuing a tempered approach to regulating a technology that continues to develop at speed.

## WHEN AI MEETS FINANCE

The EC is casting a wide net through its approach to regulating AI, which has marked its distinct understanding of the technology’s wide and varied application. So how will the act impact the world of finance and banking – two already heavily regulated industries?

Recent data collected by FIS reveals that while 30% of consumers “do not trust GenAI at all”, the arrival and implementation of regulation, enhanced human oversight and further transparency measures are all viewed as suitable tools to breaking down this barrier.

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Sam Hutton

Head of Sales

sam.hutton@fintechfutures.com

+44 208 052 0434

Kate Stevenson

Business Development Manager

kate.stevenson@fintechfutures.com

+44 782 593 0099

“Financial institutions have an opportunity to educate their customers on how they are embracing innovation with this new technology,” explains Silvia Mensdorff-Pouilly, senior vice president and general manager of banking and payments EMEA at FIS. “Crucially, they must be transparent about how they are using data if they are to succeed in winning trust.”

It is this crucial element of transparency that firms providing banking and financial services must now adhere to, setting the industry on a new course of AI development and promoting the delivery of even higher standards.

This necessity to adhere to higher, cleaner and sharper transparency standards could hold the potential to inspire the next generation of services and innovation across the industry. Ryan Cox, senior director and co-head of AI at Synechron, a provider of AI solutions for fintechs and financial services, recognises how, in an industry that is “both strategic yet reactive”, the ascent of the EU AI Act could spur not only the increased prioritisation of transparency, but also the beginning of a new data exercise as a means of compliance.

“Trust is going to be really important, and the act has become more of a data exercise than anything else,” he says. “It will encourage firms to tie in the source of information all the way, while simultaneously overlapping with different pre-existing regulations. Firms must now seek to balance compliance with innovation, and must really think through the legislation before distributing their services.”

### REGULATORY RIGOR

Given the general consensus towards AI and especially GenAI as revealed through FIS’ research, there are still some questions around whether the act goes far enough to fully appease the doubts and concerns that surround the technology.

For Michael Charles Borrelli, co-CEO and COO of AI & Partners, a professional services firm specialising in compliance with the EU AI Act, certain provisions highlighted in the EC’s latest regulatory endeavour “may need further clarification”. With this, he also recognises that calls for “more stringent measures”, especially regarding high-risk applications, might soon be on the horizon.

“We need to move to the ‘let’s get it done’ phase – but I would like to see a well-managed iteration process as we start to work with the guidance.”

Niamh Kingsley, Delta Capita



“The regulation is undoubtedly a positive development, but continuous evaluation and potential adjustments may be necessary as the technology evolves,” he explains.

On the other hand, Niamh Kingsley stresses the opinion that the act “does enough to regulate AI for now”. While serving as head of product innovation and AI at Delta Capita, Kingsley also provides thought leadership in the industry, and recently sat on the UK Parliament’s AI Summit panel.

“I wouldn’t want to see any more detail in the initial legislation – I believe we need to move to the ‘let’s get it done’ phase – but I would like to see a well-managed iteration process as we start to work with the guidance,” she explains.

“For example, the act requires transparency through documentation and model submission, but does not provide frameworks or templates for doing that effectively and without significant legal overheads. I’d like to see collaboration and agility in the regulation, and let it evolve as we all gain experience in the market.”

Given the act’s levelled and risk-based approach to regulating AI, inter-industry discrepancies surrounding its efficiency and extent are somewhat to be expected, especially considering that the regulation enforces varied levels of compliance for different types of systems performing a wide range of tasks.

### NEXT STEPS

As expected from the EC, the development of the EU AI Act has, to date, been considerably well-paced. As for latest developments, both the European Parliament and European Council – which initially called on the Commission to bring the act into fruition with its recommendations on civil law rules on robotics published back in 2017 – reached a provisional agreement in December to finalise which systems it applied to and the dynamics of regulations being enforced.

A European Parliament vote to bring the act into force is scheduled for April. If passed, the EC will expect member states to phase out prohibited systems within the next six months and apply general purpose AI governance within the next 12 months.

Further down the line, the act is due to become fully applicable, including obligations for high-risk systems, 24 months after entering into law, followed by the obligations for high-risk systems at 36 months.

The arrival of the EU AI Act will certainly present a welcomed learning curve for the industry and its exploration of the technology. Although elements of it may arguably need fine-tuning with the natural passage of time, it nonetheless marks a strong attempt to achieve what many regulators across the world feared could never be achieved.

# Welcome to the technology paradigm

By Leda Glyptis



There was a time when 'fintech' meant 'start-up'.

Unhelpful, but at least we knew where we stood.

There was a time when looking at start-ups was the thing you did to understand new tech.

Remember those times?

Oh, the innocence.

Even innovation teams inside big organisations, tasked as they were with thinking about things and learning things and building things and testing things, mostly (let's be honest now) looked at start-ups for answers. And inspiration. And ways to move things forward.

We all did.

And it sort of worked for a time.

Horizon scanning became a team sport. You bought *equipment*. The consulting firms wrote reports (expensive reports) and built 'tools' because you needed an app for all things, didn't you?

Don't ask me. I don't know if they worked. I just know they existed. They were pretty. They were of their time.

They had futuristic names and a lot of data and pretty interfaces.

They told you how many payments companies there were in the world (thousands at any one time, but not the same thousands) and how many of them got funded, but they didn't tell you much about what would happen next, obviously.

Innovation theatre to my left, unicorn chasing to my right.

What days those were.

And please believe me when I say... we were not cynical about all this. We believed it all.

Naïve, perhaps.

But not cynical.

There was also a time when we really truly believed, as an industry, that technology was a pick and mix sweet counter where we could choose to our taste and at our pace what to use and what to leave.

And although we feared disintermediation from other businesses, it never occurred to us that the disintermediation would come from

"I don't get how you can still utter 'digital' like it's a foreign word you are trying on for size, the yuzu paste of your tech menu. We are here. We have been here a while."

Leda Glyptis

the technology itself and the relentless economics of digital distribution done right.

Again, naïve, perhaps.

But the slow 'in my own time' approach to technology adoption banks exhibited at first was not arrogance. At least not primarily.

Why am I telling you all this?

Because although both of those eras are done and dusted and over... they have not been replaced by anything that is much more useful. And although the industry is no longer naïve, it is not wise yet either.

We now know that we have entered a technology paradigm that rewired the world and the economy, so of course it affects us. Not to our taste and not at our pace. It is the context in which we live. No longer a single thing but the canvas on which all things play out.

We are no longer looking for the silver bullet and the single answer. We are still

hoping for magic beans and unicorns, don't get me wrong. We are just not looking for them expecting that they exist anymore.

And we also know we are not the top dog in this race. We don't know who is... yet.

We are looking at Big Tech trying to decide if it's them.

But there is a dawning realisation that this isn't how the game is played anymore.

If only it was.

And the challengers of a few years back are also looking over their shoulder because they aren't as shiny anymore... the era of free VC money is over, paper unicorns don't seem to weather storms well and new technology is coming down the pipe fast and the cutting-edge of 10 years ago is blunted now. Still usable but not the next big thing, if that is what we were talking about in the first place. And who's laughing now?

Actually, no-one is. And that is how it should be.

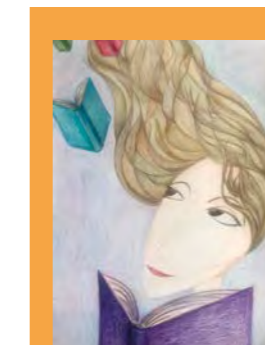
None of this is easy. None of this is straightforward and none of this is a single-click strategy.

So I'm not entirely sure what the words 'innovation' and 'fintech' and whatnot are doing in your lexicon anymore. I don't get how you can still utter 'digital' like it's a foreign word you are trying on for size, the yuzu paste of your tech menu.

We are here. We have been here a while.

Come on now, we have work to do, and however we choose to do it, however much or little of it we choose to take on, let's at least stop acting surprised at it all.

#LedaWrites



Leda Glyptis is *FinTech Futures'* resident thought provocateur – she leads, writes on, lives and breathes transformation and digital disruption. She is a recovering banker, lapsed academic and long-term resident of the banking ecosystem. She is also a published author – her first book, *Bankers Like Us: Dispatches from an Industry in Transition*, is available to order now.

All opinions are her own. You can't have them – but you are welcome to debate and comment!

Follow Leda on X (@LedaGlyptis) and LinkedIn (Leda Glyptis, PhD). Visit our [website](#) for more of her articles.

# When goals become aspirations, where does that leave us?

By Theodora Lau, founder, Unconventional Ventures

The Financial Times reported in January that PwC had dropped its commitment to allocate 40% of procurement spending to minority-owned suppliers in its latest diversity, equity and inclusion (DEI) report as a result of the shifting legal landscape in the US following a Supreme Court ruling against affirmative action in college admissions last year. Sadly, PwC is hardly alone in scaling back

efforts to promote diversity, especially as US firms are increasingly facing lawsuits and scrutiny for their DEI programmes following the Supreme Court's decision.

For example, the Strivers Grant Contest, one of the programmes conducted by the Fearless Fund that aims to provide \$20,000 to Black women-owned businesses, was hit with a lawsuit filed last year alleging that it discriminates against people of other races. For context, Black founders received a meagre 0.48% of all venture funding in 2023, amounting to \$661 million out of \$136 billion, according to TechCrunch, citing Crunchbase data.

*It's a slippery slope.*

Instead of backing down, however, I believe this is the time to double down. Fundamentally, I believe that businesses can be an important force to drive societal change. Our world is becoming more diverse – and the only way to survive, and thrive, is to change along with it.

## ADAPTING TO A CHANGING ECOSYSTEM

Just as we can't expect one company to be able to solve all the world's challenges, it is utterly unrealistic to think that one

gender or one ethnic group can be the singular voice to represent the future of an entire industry. Whether you are crafting new digital content or putting together an in-person discussion, diverse representation is paramount.

But when I naively thought we had finally nailed the manel challenge, it has come back in full force. "There are no women," they continue to proclaim.

Is the true cause that there are no women in the industry? Or that the sought out subject matter experts from underrepresented communities are not responding to your cold calls? I've heard both excuses plenty of times. To be honest, if that's still the same *reasoning* you are using for not having diverse perspectives in what you produce, it's beyond time to try something different. And please do not pat yourself on the back for 'trying' and shrug your shoulders because you have done 'enough'. "You tried your best" is what teachers tell kindergarteners. That's a tiresome excuse for grown-ups.

The truth is that brilliant, diverse talent is everywhere. The question is,

have you tried hard enough and are you looking in the right places? Choir, a US-based start-up that aims to promote diverse voices to media and events companies, provides a database for speakers. Katie Gwyn-Williams, conference director of the Finovate series, has managed to achieve a 50/50 gender ratio at all the Finovate conferences over the past few years. And I have witnessed first-hand the amount of effort she puts in to get us there. It's intention. It's hard work. And it can be done.

Actions speak louder than words. For those who have a platform, look at who they invite to contribute and who they amplify. It is human nature that birds of a feather flock together. Changing the status quo requires us to dig much deeper. True impact requires courage to get out of our comfort zone.

My wonderful friend, Brian Lee, recently wrote in a beautiful post: "What could we gain by taking the time to ask and patiently listen? Do we listen, with intent to understand?" By that same token, I wonder what we have lost by not taking the time to ask and

to listen? How much more vibrant and inclusive would our community be if we were to truly pay attention and include others' perspectives – to understand and to act?

Who we include in our journey matters. Getting to true diversity and inclusion is a goal that we must hold ourselves accountable for. Enough with the small wins. Simply aspiring to be better is not enough.

I am reminded of a quote by the amazing trailblazer, Ruth Bader Ginsburg: "When I'm sometimes asked when will there be enough [women on the Supreme Court] and I say, 'When there are nine', people are shocked. But there'd been nine men, and nobody's ever raised a question about that."

It's time to demand more.



**Theodora (Theo) Lau** is the founder of Unconventional Ventures. She is the co-author of *Beyond Good* and co-host of *One Vision*, a podcast on fintech and innovation.

She is also a regular contributor for top industry events and publications, including *Harvard Business Review* and *Nikkei Asian Review*.

Connect with her on X @psb\_dc and Mastodon @psb\_dc

# FINTECH FUNDING ROUND-UP

AI-powered accounting and finance solution provider **Finally** has raised **\$10 million** in new capital. The round was led by PeakSpan Capital and featured additional participation from Active Capital.

Two years ago, the Miami-based start-up raised \$95 million in Series A.

Felix Rodriguez, founder and CEO of Finally, states that the injection of capital will “supercharge” the firm’s efforts to provide “SMB owners the best tools to grow their businesses”, which includes services for bill payment and payroll, bookkeeping and expense management.



Colombian B2B paytech **Simetrik** has completed its **\$55 million** Series B funding round, led by Growth Equity at Goldman Sachs Asset Management.

The round was joined by Cometa, which led its seed round, and by FinTech Collective, which led the firm’s \$24 million Series A in 2022. Additionally, firms such as Actyus, Catalyst, Endeavor, Falabella Ventures, Mercado Libre Fund, Moore Strategic Ventures and the co-founders of Vtex, participated in the round.

Founded in 2019, Bogotá-headquartered Simetrik develops solutions to streamline financial operations, such as reconciling accounts, consolidating records, managing accounting tasks and generating reports. Its offerings are based on the firm’s generative AI and no-code development concept, Simetrik Building Blocks (SBBs).

It claims to monitor more than 200 million records daily and to be active in more than 35 countries, highlighting the servicing of “key Asian markets” such as India and Singapore.

Another Colombian paytech, **Bold**, has raised **\$50 million** through a Series C funding round, led by US growth equity firm General Atlantic. Existing investors InQLab and Amador returned for the latest raise, with International Finance Corporation (IFC), of the World Bank Group, also joining as a new participant.

The funding builds on the \$55 million secured by Bold through its Series B of February 2022.

In the two years since, the Bogotá-based start-up, which was founded in 2019, has expanded its team from 380 to around 800 employees and has increased its number of active merchant customers by 50% to approximately 150,000.

The initial scope of its services, which enable small business merchants to accept electronic payments through payment terminals both online and offline, was extended last year after the regulator approved Bold as a financial institution. Its offering now includes merchant accounts, debit cards and short-term working capital loans.

**Kore.ai**, a US-based conversational and generative AI platform, has secured a **\$150 million** investment.

The funding round was led by FTV Capital with additional participation from Nvidia, Vistara Growth, Sweetwater PE, NextEquity, Nicola and Beedie. This latest investment brings the company’s total capital raised to date to \$223 million.

Founded in 2013 and headquartered in Orlando, Florida, Kore.ai is a developing enterprise-focused fintech that provides its clients with an AI-powered no-code platform for designing virtual voice agents and chatbots.

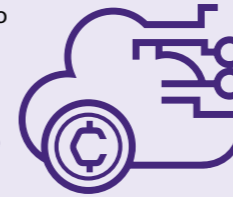
The company claims to automate 450 million interactions for approximately 200 million end users worldwide and currently has a customer base that includes major brands such as AT&T, Coca-Cola and Airbus. US-based PNC Bank is also among its clients.



UK-based regtech **Napier AI** has landed a **£45 million** investment from US-based Crestline Investors.

Founded in 2015, Napier harnesses big data technology alongside artificial intelligence (AI) and machine learning (ML) to provide corporate compliance and anti-money laundering (AML) solutions and claims to serve 150 institutions. Among its clients are UK challenger Starling Bank, France’s Lyra Group and St James’s Place.

Swiss crypto neobank **Sygnum** has raised around **\$40 million** through an oversubscribed “strategic growth round” at a valuation of \$900 million.



The round was led by asset management group Azimut Holding with participation from new and existing investors, including some of Sygnum’s 250 team members, who acted as personal investors.

Sygnum says it will use its new capital, which follows the \$90 million Series B funding it secured in early 2022, to expand into new markets and further develop its product suite.

The neobank is currently licenced in Switzerland and Singapore to provide digital asset banking, asset management, tokenisation and bank-to-bank (B2B) services to professional and institutional investors, banks, corporates and DLT foundations.

Also regulated in the UAE and Luxembourg, Sygnum claims \$4 billion in assets under administration and a client base of more than 1,700, including PostFinance, the financial arm of Switzerland’s postal service.

**Amplifi Capital**, the fintech behind UK financial services brands My Community Finance and Reevo Money, has secured **£22.5 million** in funding from M&G Investments.

The UK-based company, which specialises in near-prime consumer lending, will use the new financing to expand its personal loan platform Reevo Money across the country.

Reevo Money was launched by Amplifi Capital in 2022 and is the firm’s second customer-facing brand.

Its first customer-facing brand, My Community Finance, was introduced in 2018 and provides the infrastructure to connect customers with loans and savings products offered by two domestic credit unions, My Community Bank and Castle Community Bank.

The company claims to have 120,000 active customers and has disbursed more than £1 billion in loans.

The recent financing from M&G builds on the £50 million it invested in Amplifi Capital last June and complements the £100 million credit facility committed by NatWest last September.

Dutch banking services provider **Finom** has secured **€50 million** in Series B funding. The round was led by the fintech’s existing investor, US-based venture capital firm General Catalyst, alongside Northzone, which enters as a new investor.

Joined by Cogito Capital, Entrée Capital, FJLabs, s16vc and Target Global, the completion of the Series B means that Finom has now raised more than €100 million to date, including €10 million in Seed funding.

Founded in 2020 and based in Amsterdam, Finom operates a digital financial services platform for entrepreneurs and SMEs in Germany, France, Spain, the Netherlands and Italy. In 2022, it acquired cross-border paytech Kapaga.

Finom supports digital business accounts, payment processing, foreign exchange, invoicing and expense management, and services 85,000 customers.

**Tuum** has raised **€25 million** in a Series B funding round led by CommerzVentures as it seeks to target new territories with its core banking software.

The round also attracted Austrian venture capital fund Speedinvest as a new investor, which participated alongside the vendor’s existing investor base.

The Estonian company says it will apply the funding to establish its market presence in Germany, Austria and Switzerland (DACH), Southern Europe and the Middle East.

It also plans to increase its investment into what it describes as its “smart migration capabilities”, which enable Tuum to carry out core banking migrations within the span of two months, as well as its Business Builder platform, which enables its banking partners to configure their own operating, sourcing and distribution models.

It also intends to expand its core banking system’s functionality to accounts, lending, payments and card services.

UK fintech **Kriya** has secured a new **£50 million** funding facility with Israel’s Viola Group, with the aim of powering over £1 billion-worth of B2B payments over the next 24 months.

Founded in 2011, London-based Kriya provides payment and credit solutions, including embedded finance, loans and invoice finance, to businesses in the UK, Ireland, Spain, the Netherlands, Poland and Belgium.

The fintech claims to have collected over £27 billion in B2B payments and advanced over £3.5 billion worth of credit to suppliers and buyers since its inception.



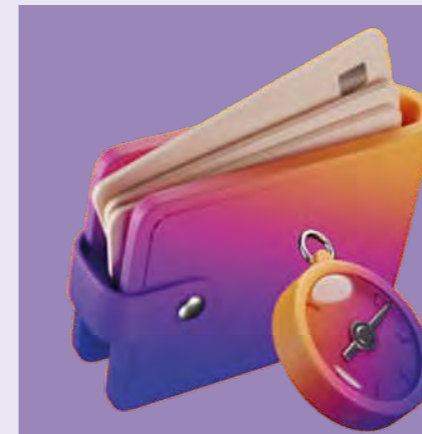
# Tune in to the Dave & Dharm Demystify podcast

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Singapore-based fintech **UNOAsia**, the primary incorporator of UNO Digital Bank in the Philippines, has raised **\$32.1 million** in a pre-Series B funding round.

Consisting of both equity and debt, the investment saw participation from asset manager Nextinfinity Management, Malaysian venture capital firm Creador Private Equity and investment manager Gateway Partners.

The round brings the total amount raised by the fintech to approximately \$75 million, a figure that includes its previously announced \$11 million pre-Series A funding, and its largely Creador-backed \$33.5 million pre-seed and seed rounds of 2022.

UNO Digital Bank went live in H2 2022 offering time deposits and savings accounts. It plans to launch consumer durable loans, as well as expand its insurance and business offerings, and hopes to reach profitability in 2024.

Barcelona-based **ID Finance** has secured **\$150 million** in debt financing with i80 Group.

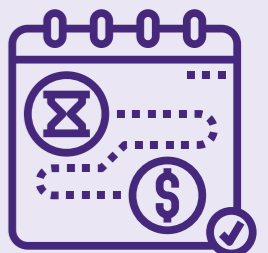
ID Finance specialises in providing solutions for alternative lending, and currently operates across Europe and Latin America. In 2021, it launched a financial wellbeing app, Plazo, in Spain to offer its users "greater control over their finances" by providing credit, transactional and savings solutions.

It will invest the funds into scaling the app's lending capabilities as well as broadening its service offerings, including complimentary access to medical, legal and veterinary consultations via the app, the company says.

**Mondu**, a B2B payment solutions provider based in Berlin, has landed a **€30 million** debt financing deal with German bank Vereinigte Volksbank Raiffeisenbank (VVRB).

Founded in 2021, the start-up has now raised more than €115 million in equity and debt funding, including €39.5 million in a Valar Ventures-led Series A equity funding round in 2022 and the €11.9 million extension of the round the following year.

It currently operates solutions including buy now, pay later (BNPL) and digital trade accounts across six countries in Europe, including Austria, the Netherlands, Belgium, France and the UK, where it launched a year ago.



London-headquartered digital payments firm **Navro** (formerly known as Paytrix) has completed a new internal funding round of **\$14 million** led by Bain Capital and Unusual Ventures with participation from Motive Partners and previous backers Fin Capital.

Founded in 2022, the company claims to have developed the "world's first payments curation platform". Its tech enables businesses to access worldwide payment and banking infrastructure via a single API.

Along with the new funding, the firm has also secured an EU EMI licence from the Central Bank of Ireland.

**Züm Rails**, a Montreal, Canada-based payments software vendor, has announced the successful completion of a **\$10.5 million** Series A funding round. The round was led by US-based growth equity firm Arthur Ventures, which specialises in B2B software investments.

Züm Rails says it has "self-funded its way to profitability" since its establishment in 2019. Now, however, the paytech is looking to utilise outside funds to expand into the US.

Canada-based **Helcim** has secured **\$20 million** in a Series B fundraising round.

Founded in 2006, Helcim provides North American SMEs with an all-in-one payment processing platform and says it focuses on the "underserved segment" of lawyers, dentists, veterinarians and mechanics, that has "higher average order values, lower digital payment penetration, and tighter working capital needs requiring affordable and transparent pricing".

The round was led by Californian VC firm Headline with participation from existing backers Aquiline Technology Growth and Information Venture Partners, alongside new investors SilverCircle, Clocktower Ventures and Vasey Ventures. It adds to Helcim's \$12.7 million Series A in 2022.



This is just a snapshot of the fintech funding activity worldwide. For more info on these and many other deals, head over to the [FinTech Futures website!](https://www.fintechfutures.com)

# Have you seen our new FinTech Founders video series?

Our FinTech Founders series explores various aspects of funding and investment, featuring first-hand insights from fintech entrepreneurs and founders.

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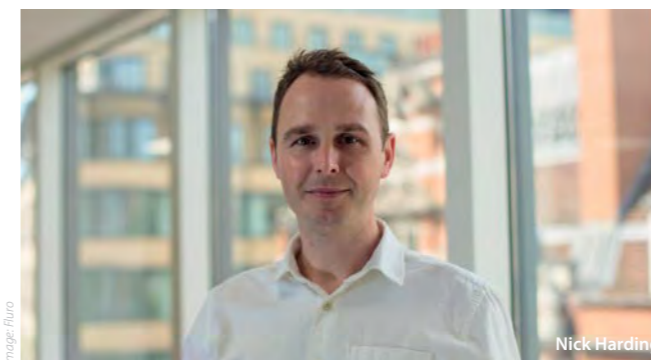
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## MOVERS AND SHAKERS



After a decade at the helm, **Nick Harding** has stepped down as CEO of UK consumer lender **Fluro**. Founded by Harding and Matthew Powell in 2012, Fluro provides loans to UK consumers through its peer-to-peer (P2P) lending platform and API-based embedded finance partnerships.

The London-based lender was formerly known as Lending Works until it was acquired by Intriva Capital, a private asset manager, in 2020.

Harding follows in the footsteps of Powell, who left his CFO position last year and went on to found financial modelling start-up ModelPro.

US-based **Plaid** has appointed **Jennifer Taylor** as the company's first president. Taylor joins from Cloudflare, where she served as chief product officer for the past seven years. Earlier in her career, she also led product strategies at Salesforce, Meta and Adobe.

Founded in 2013, Plaid provides APIs enabling consumers to connect their bank accounts to various fintechs and make payments via open banking.

Last autumn, Plaid appointed its first chief financial officer (CFO), Eric Hart. The recent addition of Taylor has prompted industry speculation that the company is laying the groundwork for a potential initial public offering (IPO).

Plaid last raised over \$425 million in a Series D round in 2021, at a valuation of \$13.5 billion.

UK-based open banking tech provider **Ozone API** has appointed **Dame Jayne-Anne Gadhia** as its new board chair.

For over ten years Gadhia was the CEO of Virgin Money, during which time she led the company's acquisition and integration of Northern Rock and the launch of Virgin Money's current account offering. She also served as CEO at tech giant Salesforce, chairs Moneyfarm's board and launched her own fintech, Snoop, where she acted as chair for four years before moving to an advisor position after the firm's acquisition by the Vanquis Banking Group in July 2023.

The new chair appointment comes hot on the heels of Ozone API's £8.5 million Series A funding round.

Denmark's **Danske Bank** has appointed **Richard Davis**, the former global head of enterprise services at Swift, as the bank's new chief technology officer, replacing Bo Svejstrup.

Meanwhile, **Christoffer Kanstrup**, who is celebrating two decades at the Danish bank this year, has been named the new chief data officer, replacing Nireesh Rajah.

UK-based **CAB Payments**, a B2B cross-border payment provider specialising in frontier markets, has appointed **Neeraj Kapur** as its new CEO, replacing Bhairav Trivedi from 26 March 2024.

Kapur started his career as an RAF fighter pilot and is a qualified chartered accountant. He served as group CFO at several organisations, including Vanquis Banking Group, Provident Financial Group and Secure Trust Bank.

The leadership change follows the paytech's IPO last July, in which it secured an initial £851 million valuation. However, its stock plummeted around 70% the following October after yearly growth forecasts were downgraded. While its share price has rebounded since then, at the time of publication, the CAB Payments currently sits at around a third of the initial valuation.

AI-powered personalised customer engagement platform, **Personetics**, has announced the appointment of **Udi Ziv** as CEO following company co-founder David Sosna's decision to step down after a 13-year tenure.

Previously, Ziv served as CEO of Kissterra, Earnix and Pontis. He was also president of NICE Systems, a customer relations management software provider, and general manager of small business solutions at SAP.

Founded in 2011 and headquartered in Tel Aviv, Israel, Personetics serves more than 130 financial institutions globally and claims 135 million clients.

**Tracey Black**, president and CEO of **Payments Canada**, is stepping down from the role effective 31 March 2024, triggering a fresh search for a successor.

Payments Canada says its systems clear over \$450 billion every business day through transaction methods such as cheques, bill and debit card payments, and direct deposits.

UK-based cross-border payments firm **TerraPay** has appointed **Ruben Salazar Genovez** as its new president. He moves from Visa Direct where he served as the global head of over a decade. He also worked in senior roles at Barclays, Citibank and Mastercard.

The appointment follows TerraPay's recent landing of an Italian electronic money institution (EMI) licence and \$100 million debt and equity raise.

For more news on appointments in the industry, head to the [Movers and Shakers](#) section of the *FinTech Futures* website.



www.iantoons.com

**THAWING**

Cartoon by Ian Foley

There are a lot of crypto projects that have hibernated and investment funds that have not allocated capital over the last year, just to wait for the moment when the retail market comes roaring back.

The joy across the crypto world that arose from the SEC's approval of 11 companies to offer spot Bitcoin ETFs was fuelled by the hope that other non-crypto holders will now start to join the party.

A narrative is starting to build that the momentum behind

crypto, the upcoming Bitcoin halving, institutional interest in real-world asset tokenisation and the resurgence of Web3 gaming are all signs that we are moving into the next bull market.

A counter-narrative is that this is just the industry hyping itself up in the hope that the disinterested majority will notice, which also has some truth – notably, only 60 million Americans have a 401K that could benefit from the Bitcoin ETFs.

Despite the crypto industry believing that it is an alternative to the traditional economy, it is more likely to be macro events (such as lowering inflation and interest rates) that will set off the starting gun for a broader revival of higher risk assets.

**EDITORIAL**  
 Managing Director & Editor-in-Chief  
**Tanya.Andreasyan**@fintechfutures.com  
 Editor  
**Paul.Hindle**@fintechfutures.com  
 Reporters  
**Tyler.Pathe**@fintechfutures.com  
**Cameron.Emanuel-Burns**@fintechfutures.com

**SALES**  
 Head of Sales  
**Sam.Hutton**@fintechfutures.com  
 +44 (0)20 8052 0434  
 Business Development Manager  
**Kate.Stevenson**@fintechfutures.com  
 +44 (0) 782 593 0099

**MARKETING**  
 Head of Marketing  
**Rebecca.Nolan**@fintechfutures.com  
 Marketing Manager  
**Robert.Mitchell**@fintechfutures.com

**PRINTER**  
 Hobbs the Printers Ltd, Hampshire, UK

**ADDRESS**  
 FinTech Futures,  
 240 Blackfriars Road, London SE1 8BF

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**Get in touch with our team:**

Sam Hutton  
**Head of Sales**  
 sam.hutton@fintechfutures.com  
 +44 208 052 0434

Kate Stevenson  
**Business Development Manager**  
 kate.stevenson@fintechfutures.com  
 +44 782 593 0099





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# Save the date

We're excited to announce that the **Banking Tech Awards** will return for 2024.

This year will be our biggest awards ever as we will be celebrating our **25th anniversary!**

Nominations will open in **spring 2024** with the awards ceremony taking place on **4 December, 2024** at the **Royal Lancaster Hotel, London.**

To learn more about the awards and see the full list of categories, visit

[bankingtechawards.com](https://bankingtechawards.com)

