



banking technology

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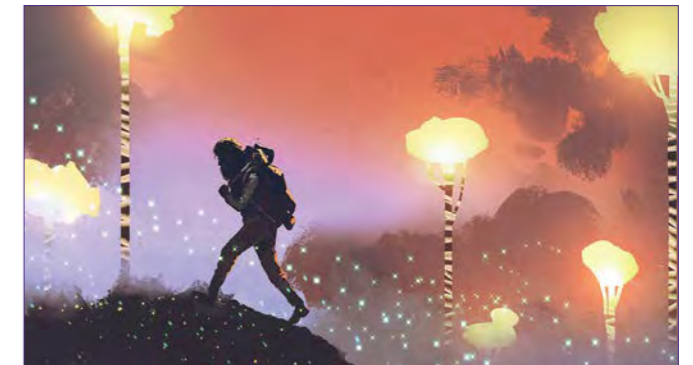
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Nominations for the **Banking Tech Awards** are open to banks, financial institutions, software providers, teams and individuals from across the world

This year will be our biggest awards to-date as we are excited to be celebrating our 25th anniversary!

The awards ceremony is set to take place on **4 December 2024** and will be held at the fabulous **Royal Lancaster Hotel** in London.

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

[Submit nomination](#)



WELCOME

EDITOR'S NOTE



Tanya Andreasyan
Editor

Welcome to the September edition of *Banking Technology*, packed with the expert commentary, informed views and the compilation of the most notable movements in the world of banking and fintech over the last month.

There are newcomers on the scene, such as Fortuna, Ohio's first female-led bank; HUSTL, a digital banking service for freelancers launched by Arizona's Vantage West Credit Union; Sync Savings, a cash savings infrastructure provider in the UK; and Science Card, a mobile banking app for university research (see p4), to name a few.

Inevitably, there are closures too. Head over to p5 for the latest on Totem, a banking start-up for Native Americans in the US; and Finance+, a financial services app from Swiss retail and wholesale heavyweight Coop.

And then there is – or was – Tally, a San

Francisco-based fintech that has built an automated debt manager to help individuals overcome credit card debt and save on interest payments.

Unlike the short-lived ventures such as Totem (two years) and Finance+ (one year), San Francisco-based Tally has survived for nearly a decade and attracted considerable capital. It has reportedly raised \$172 million to date, including \$80 million in a Series D funding round led by Sway Ventures in 2022, and was last valued at \$855 million.

Alas, founder and CEO Jason Brown now says his company, which employs 183 people, hasn't been able to secure sufficient funding to continue operations.

Head over to the [FinTech Futures website](#) for a comprehensive news reel of fintech arrivals and departures, and more.

FINTECH FUTURES | JOBS

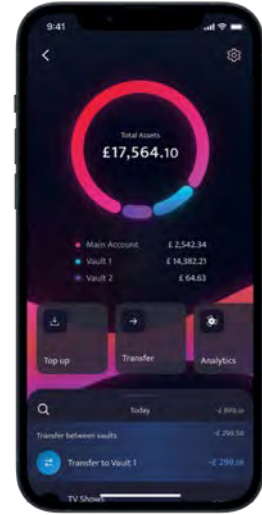
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NEWS ROUND-UP

New banking app for university research launches in the UK



Science Card, a London-based banking services start-up, has launched in the UK to raise awareness of university research and alleviate researchers' funding challenges.

It offers a free e-account, featuring a Mastercard-powered debit card issued by Finnish firm Enfuce, an app for financial management and support for both domestic and international payments, along with instant transfers between Science Card users.

While accounts are currently in GBP, the company says USD and EUR options are forthcoming.

With a Science Card account, customers can support UK university projects by automatically rounding up each card payment to fund research in their chosen fields.

Additionally, the company pledges to allocate 10% of its profits directly to these selected research projects.

Customers can currently choose to back ongoing projects focused on dementia, cervical cancer and kidney transplants being conducted at Kingston University, King's College London, University College London and Newcastle University.

"Our mission is to bridge the gap between science and financial services, empowering people to shape our sustainable future ... all by just going about their everyday spending," states the founder of Science Card, Daniel Baeriswyl, PhD.

Apple to open up access to NFC tech to third-party app developers

Apple plans to soon grant third-party app developers in several locations access to its near-field communication (NFC) contactless payment technology.

The company says that starting with iOS 18.1, developers in the US, Australia, Brazil, Canada, Japan, New Zealand and the UK will be able to offer in-app contactless transactions "from within their own apps on iPhone, separate from Apple Pay and Apple Wallet", by leveraging its NFC technology and the Secure Element (SE) chip, which safely stores sensitive information on the device.

Following the release of the iOS 18.1 update, supported transactions will include in-store payments, closed-loop transit, corporate badges, car keys, event tickets, home and hotel keys, student IDs, and merchant loyalty and rewards cards. Support for government IDs is planned for the future.

Developers will need to enter into a commercial agreement with Apple and pay the associated fees.

The move comes after the European Commission earlier this year accepted commitments by Apple to open up access to tap-and-go technology on iPhones to several European nations for the next ten years to settle an antitrust investigation by the commission.

Revolut finally secures UK banking licence, with restrictions



After a three-year wait, fintech firm Revolut has finally secured a UK banking licence with restrictions from the country's Prudential Regulation Authority (PRA) and has entered the mobilisation stage.

This stage enables new banks to "secure further investment, recruit staff, invest in IT systems and commit to third-party suppliers", and can last for no longer than 12 months, says PRA.

The UK challenger has also recently become Europe's most valuable private tech company, reaching a \$45 billion valuation after an employee share sale. The shares, acquired by a combination of new and existing investors including Tiger Global, Coatue and D1 Capital Partners, are anticipated to generate \$500 million for the company's staff.

Last year, Revolut made \$2.2 billion in revenue, marking a 95% year-on-year growth, and \$545 million profit before tax. This year, it predicts more than 80% annual revenue growth and a user base increase of five million, aiming to reach 50 million customers by the year's end. It also plans to increase its global headcount by 40% to about 11,500 staff by the end of the year.

ClearBank secures licence from ECB to expand into Europe

ClearBank Europe, the newly established European entity of UK-based clearing and embedded banking firm ClearBank, has been granted a credit institution licence from the European Central Bank (ECB), supervised by De Nederlandsche Bank (DNB). This will enable ClearBank to expand into Europe, with the company saying the move marks the "first step in ClearBank's international growth plans".

The newly secured Dutch banking licence will enable ClearBank to offer EUR accounts and payments in addition to GBP (with USD also planned), and multi-currency and FX services.

Netherlands was chosen for its "strong economy, robust yet innovative regulatory regime, and thriving fintech ecosystem", ClearBank says. The firm plans to invest over €70 million in its European operations and hire more than 60 new employees over the next five years.

In 2023, ClearBank recorded its first full year of profitability.

Coop to discontinue Finance+ financial services app

Coop, one of Switzerland's largest retail and wholesale companies, plans to discontinue its financial services app, Finance+, less than a year after its launch. The app, launched in October 2023 using Additiv's API platform, offers payment services, banking services powered by Hypothekbank Lenzburg, and individual pension products through partnerships with Vanguard, OLZ, Liberty Vorsorge and Glarner Kantonalbank.

Coop now says that following a "short pilot phase", it has "decided not to continue operating the Finance+ project because demand did not meet expectations". The company attributes this to "various new offers from other providers having come onto the market and increased competition". The closing date is yet to be announced.

UniCredit acquires Aion Bank and BaaS provider Vodeno

Italian bank UniCredit is buying Belgian digital bank Aion and Banking-as-a-Service (BaaS) provider Vodeno for approximately €370 million. UniCredit says its purchase brings a "next-generation core banking technology" and an improved embedded finance offering into its remit "without any dependencies from third-party core banking providers".

Vodeno and Aion Bank have maintained a close partnership within the same group, with Vodeno utilising the digital bank's full EU banking licence in Belgium to provide BaaS services across Europe. Aion Bank itself also leverages the platform within its core banking operations, payment processing and customer onboarding functions. The group is backed by private equity firm Warburg Pincus.

The deal includes the entire share capital of both companies, along with 200 engineers, developers and data scientists, and is expected to close in Q4 2024.

Native American-focused banking service Totem closes down

Totem Technologies, the US-based financial services start-up catering to Native Americans, has "come to the end of its road", according to founder and CEO Amber Buker.

"We built an ethical business model that showed it is possible to serve 'risky' or 'niche' populations when you build holistically and tap into the broader needs of their communities through value-add services like payments," Buker says.

"But businesses looking to serve Indian Country can only do so at the speed of trust. And that comes much, much more slowly than the pace at which a venture-backed company is expected to move."

Totem had about 500 customers from 70 different tribal nations. Its banking app offered current accounts with no minimum balances or monthly fees, allowing users to manage transactions, pay bills and earn rewards through spending. It also provided educational resources and programmes through the app to help increase financial literacy among the Native American community.

The app was launched in mid-2023 following a \$2.2 million pre-seed funding round led by Raven Indigenous Capital Partners and backed by Alloy Alchemist Fund, Debut Capital, Ruthless for Good, Candide Group and Amazon Web Services.



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\$44 million

fine issued by the US Federal Reserve to digital bank Green Dot over "numerous unfair and deceptive practices and a deficient consumer compliance risk management programme"; the regulator says the digital bank "violated consumer law in its marketing, selling, and servicing of prepaid debit card products, and its offering of tax return preparation payment services"



\$2.45 billion

is the price tag of NCR Voyix, the cloud-based digital banking and commerce business created last year by NCR Corporation's restructure, as it enters into a definitive agreement to be acquired by private equity firm Veritas Capital

\$2.8 billion

to be paid by Canadian banking heavyweight Scotiabank for a 14.9% pro-forma ownership stake in KeyCorp, the parent of Ohio, US-based KeyBank



€900 million

to be paid by Switzerland's Union Bancaire Privée (UBP) for Société Générale's international private banking subsidiaries in the UK and Switzerland; the acquisition will increase UBP's assets under management by €26 billion, adding to the €161 billion it currently manages

17%

reduction in workforce planned by start-up accelerator Techstars, having "overbuilt and over hired to support our ambition to scale", according to co-founder and CEO David Cohen; it will also close the JP Morgan branded accelerator programmes once the Advancing Cities fund, powered by the bank, is fully deployed at the end of 2024

\$61 million

in cash paid by US-based paytech Payoneer for Skuad, a global workforce and payroll management start-up based in Singapore; the deal also includes up to an additional \$20 million of future payments in cash and equity, subject to Skuad's performance



200

data and artificial intelligence (AI) professionals are to be hired within the next 12 months by CIBC in a push to strengthen its AI governance and improve customer and team member experiences; CIBC is Canada's fifth largest bank, serving 14 million business, personal, institutional and public sector clients

15%

jobs to be cut by NerdWallet, a US-based financial comparison site, as part of a restructuring plan to "reduce the company's operating expenses and better position the company to execute its long-term strategic initiatives"; NerdWallet's Q2 2024 financial results reveal a GAAP loss from operations of \$9.6 million



THEY SAID IT...

"If we are to thrive with AI in the UK, not least in fintech, we need an AI Authority to be the nimble regulator, right-sized, the custodian of the principles, not least trust and transparency, interoperability and an international focus, accessibility and accountability."

Lord Chris Holmes, a member of the House of Lords and the Democracy and Digital Technologies Select Committee

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

TRENDING

Kevin under the spotlight over annual report delay

The Bank of Lithuania has appointed a temporary representative to oversee the activities of Vilnius-headquartered payments infrastructure fintech Kevin and has "instructed the institution not to provide payment services to new customers" amid alleged delays around the submission of its audited annual reports.

The central bank says the fintech is "almost four months late in submitting the audited annual accounts" and has "repeatedly postponed the deadline for their submission".

It also alleges that Kevin "does not provide the auditors with the necessary information to complete the audit, does not comply with the requirements of equity capital adequacy, [and] does not ensure adequate internal control".

The regulator has assigned independent company Valnetas to supervise the fintech's activities and has instructed Kevin to

submit the audited set of annual reports for 2023 to the central bank by 30 August 2024.

The Bank of Lithuania writes: "The appointment of a temporary representative means that all decisions of the institution's managers related to the activities of Kevin EU, UAB can only be made with the consent of the temporary representative, who will constantly provide information about the institution's activities to the Bank of Lithuania."

The regulator adds that this development doesn't affect existing customers and their ability to use Kevin's services.

Founded in 2018, Kevin provides an advanced account-to-account (A2A) payment infrastructure to replace costly card transactions. In 2022, it secured \$65 million in a Series A funding round led by Accel.

Lemonway swallows bitter pill of limitations

France-headquartered payment services provider Lemonway says it has had "certain limitations" placed on its operations in Italy by the country's central bank, Banca d'Italia.

Specifically, Lemonway writes in a note on its website that the central bank has told the company it "should not engage new Italian partners, offer new products and services to customers and – but only to the extent that shall be indicated by the Bank of Italy by 31 October 2024 – open new payment accounts for customers that carry out transactions over platforms operated by currently affiliated Italian partners".

"Up until that date, Lemonway can keep opening payment accounts for your customers without restrictions," the company

adds. The cause of the action by Banca d'Italia has not been disclosed, and Lemonway declined to comment.

Established in Paris in 2007, Lemonway claims to serve more than 400 marketplaces with wallet management, payment processing, and third-party payment capabilities. It currently manages more than 1.3 million wallets.

Qonto told to improve its AML measures pronto

French business banking fintech Qonto has received an order from Italy's central bank, Banca d'Italia, to improve its anti-money laundering (AML) measures in its Italian subsidiary.

As a result of the order, the firm has also been temporarily banned from onboarding new customers in Italy starting 25 July 2024. It says that its existing customers in Italy "are not affected and can use all Qonto business and financial banking services as usual", reassuring users that their "funds are and will always be safe with Qonto".

The company adds the order "only requires us to improve anti-money laundering measures and policies in Italy" and the temporary onboarding ban is expected to be "lifted as soon as the shortcomings identified by Banca d'Italia are remedied".

Founded in 2016, Qonto claims to serve more than 500,000 European enterprises with banking services including invoice and expense management, bookkeeping and business accounts.

Customers Bancorp hit with enforcement action over risk management

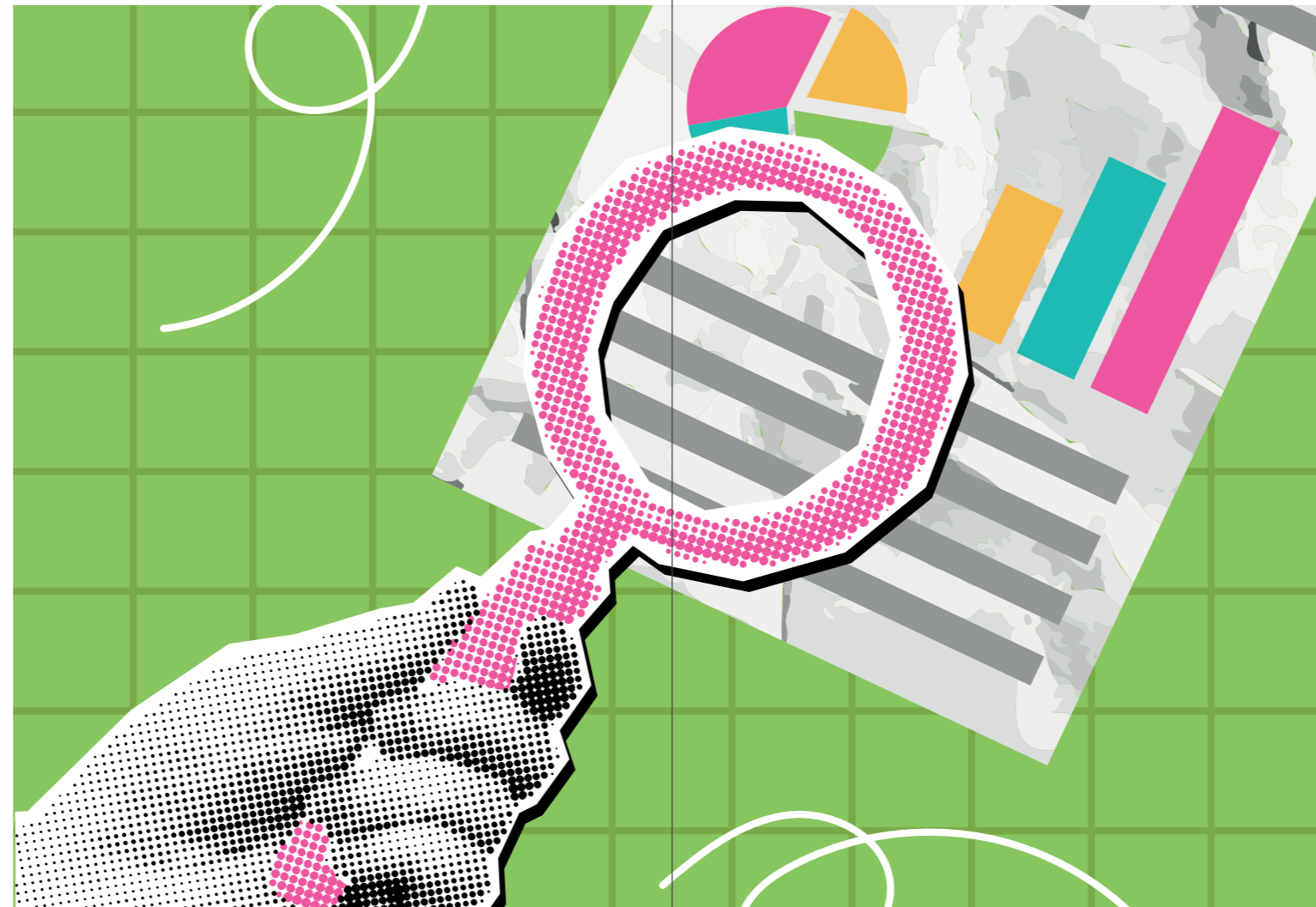
Pennsylvania-based Customers Bancorp, the parent company of Customers Bank, has been hit with an enforcement action by the US Federal Reserve, with the regulator alleging it "identified significant deficiencies" concerning the bank's "risk management practices and compliance with the applicable laws, rules, and regulations relating to anti-money laundering (AML)".

The central bank says that Customers Bancorp "has pursued a business strategy that involves offering banking services to digital asset customers" and "operates an instant payments platform that allows commercial clients to make tokenised payments over a distributed ledger technology system to other commercial clients of the bank".

The enforcement order, issued after a recent inspection by the Federal Reserve Bank of Philadelphia and free of fines, mandates the bank to submit a written plan to the Reserve Bank within 60 days to improve risk management practices pertaining to its digital asset strategy.

The bank must also submit a revised BSA/AML compliance programme and a plan to strengthen board oversight of the management and operations of Customers' compliance with the relevant regulations.

Customers Bank has also announced the appointment of financial industry veteran and former IRS special agent Allen Love as chief compliance and AML officer.



Modulr gets green light to restart onboarding

The UK's Financial Conduct Authority (FCA) has lifted the temporary partner onboarding restrictions it previously placed on embedded payments platform Modulr last year.

The regulator had originally ordered the London-based electronic money institution (EMI) to stop onboarding new agent and distributor (A&D) partners last October.

Modulr enables businesses to build payments directly into their own platforms without needing to build out their own payment systems or manage the complexities of payment network membership.

The company says it has since made a "a number of enhancements" to its relevant processes and has undertaken "extensive internal and external testing and assurance". It can now once again enlist A&D partners but must provide a prior written notification to the regulator of at least ten business days.

The relevance of incumbent cores

By Dharmesh Mistry



As the banking landscape evolves, many incumbent core banking vendors are increasingly struggling to keep up with new requirements.

These players, despite their long-standing presence and historical dominance, face several challenges that may limit their relevance and capability to meet modern demands.

Previously, I have shared [a few good reasons](#) why banks buy incumbent core

banking solutions. Essentially, these are solutions based on old technology that are yet to be modernised.

This issue, I'm spelling out the potential drawbacks of core solutions based on old technology.

INABILITY TO INNOVATE RAPIDLY

Incumbent vendors may operate on outdated technology stacks, which can hamper their ability to innovate rapidly.

This can make their development cycles longer, and their ability to integrate modern technologies, such as artificial intelligence (AI) and blockchain, may be limited compared with newer, more agile companies.

MONOLITHIC ARCHITECTURES

Many traditional core systems are monolithic, making them difficult and expensive to modify. This rigidity

prevents banks from quickly adapting to market changes, regulatory updates and customer demands.

A monolithic solution does not have to be a single compiled solution. It could also be multiple solutions packaged and deployed in a single container. Such deployments are done infrequently because of the downtime required to install a large package – something that is avoided with truly cloud-native, microservices-based solutions.

Modern banking requires systems that can evolve effortlessly – a feature often lacking in legacy systems.

COSTLY UPGRADES AND MAINTENANCE

The cost of upgrading and maintaining legacy systems can be prohibitive. Banks often find themselves spending more on keeping the lights on rather than investing in new, customer-centric functionalities. This is a significant disadvantage when competing with digital-first banks that can deploy updates and new features at a fraction of the cost and time. Newer core solutions with multi-tenant features can dramatically reduce cost of operation and eliminate upgrade responsibility.

LIMITED SUPPORT FOR MODERN BUSINESS MODELS

Today's banks are exploring new business models such as Banking-as-a-Service (BaaS), open banking and embedded finance. Incumbent solutions, with their legacy infrastructures, may lack the flexibility to support these models effectively. This can limit a bank's ability to innovate and offer new services.

VENDOR LOCK-IN

The use of old technology may result in vendor lock-in, which can make it difficult for banks to switch to newer,

“The cost of upgrading and maintaining legacy systems can be prohibitive. Banks often find themselves spending more on keeping the lights on rather than investing in new, customer-centric functionalities.”

Dharmesh Mistry

more innovative solutions. This can stifle innovation and restrict a bank's ability to respond to market changes swiftly.

SECURITY

As cyber threats become more sophisticated, relying on outdated technology can be a significant risk. Even with patches and upgrades, the fundamental architecture of legacy systems may lack the robust security features that modern systems are built upon.

CUSTOMER EXPECTATIONS

Today's customers expect seamless, real-time and personalised banking experiences. Legacy systems, which were not designed with these expectations in mind, often struggle to deliver the level of service that today's customers demand. This can lead to customer dissatisfaction and attrition.

This issue, I'm just saying (again) that as the rate of change accelerates, banks must prioritise adaptability and innovation. Relying on outdated solutions can hinder a bank's progress. And the decision to choose a core banking system should consider not only the technology itself, but also the vendor's ability to support a bank's future growth and transformation.

Banks should evaluate new entrants and alternative providers that offer

modern, flexible solutions designed to support continuous change. These newer players often bring fresh perspectives, advanced technologies and a customer-centric approach that align better with the evolving demands of the banking sector.

While incumbent vendors may have the advantage of experience and historical stability, their relevance is waning in the face of rapid technological advancements and changing market dynamics. Banks that want to thrive in the future must be willing to look beyond traditional solutions and embrace innovative, adaptable core banking platforms.



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](#).



State of play: cybersecurity in financial services

By Philip Benton, principal fintech analyst, Omdia

IT outages, data breaches and scams are now a weekly headline for the financial services industry. The emergence of new technologies such as cloud, AI and blockchain has positively transformed the sector, but it has also created new avenues of attack for fraudsters/criminals. So this issue, I'm doing a deep dive into the world of cybersecurity.

THE EVOLVING CYBERSECURITY THREAT LANDSCAPE

The current cybersecurity threat landscape remains dynamic and challenging. New threats continue to emerge as fraudsters leverage new technologies, such as generative AI, to create new methods of attack. Traditional attack vectors, such as phishing, continue to confound even savvy end users, while established criminal business models, such as ransomware, continue to mature and evolve.

Globally, financial services organisations face a host of cybersecurity threats. Some threats are industry agnostic, so firms may deploy many of the same security controls seen in other large organisations. But financial services companies also need to protect against targeted and sophisticated forms of fraud, much of it utilising digital infrastructure. These organisations have therefore also invested heavily in anti-fraud solutions.

Financial services companies face all the cybersecurity concerns experienced by other verticals while also operating under unique constraints and with the additional challenges associated with financial fraud. And if there is an environment as dynamic and challenging as cybersecurity, it is financial fraud.

Financial services organisations find themselves between a rock and a hard place. Customer and market demands have accelerated the speed and scale of their digital transformations. But all this must be done within the constraints of regulatory requirements and with the safety of customer data kept top of mind.

FRAUD PREVENTION IS A TOP CYBERSECURITY CHALLENGE

Although financial services as an industry faces many similar challenges to other verticals in dealing with cybersecurity – whether it's budget constraints, a growing threat landscape, siloed processes or visibility into user data/devices – fraud remains unique to the FS sector along with sensitivity of data and its compliance/regulatory requirements.

Regulated financial institutions are obliged to report to authorities on a regular basis with fraud and financial crime a key component that regulatory bodies will scrutinise. Although fraud is evolving, and new types are emerging constantly, it is generally classified into four common areas:

- **Card fraud** (card not present, counterfeit, lost/stolen, ID theft and so on)
- **Remote banking fraud** (internet banking, telephone banking and mobile banking)
- **Authorised push payment fraud** (through deception and impersonation)
- **Scams** (purchase, investment, romance and so on)

Fraud is consistently a challenge for all types of financial institutions. It is closely linked with the other key unique sector challenges as it relates to the sensitivity of

the data that banks hold on customers. Banks have stringent compliance and regulatory requirements, which means they must report on fraud whenever it occurs.

In fighting transactional fraud and financial crime, financial institutions face ongoing challenges. Firstly, there is the need to keep pace with new types of fraud as well as new patterns of fraudulent activity. Secondly, fraud prevention systems need to be accurate as poor fraud controls can lead to high levels of false positives to the detriment of customer satisfaction.

A sudden shift to increased online payments (as exemplified during the Covid-19 pandemic) has resulted in some detection systems recognising behavioural changes forced on to the consumer by evolving societal circumstances as potentially fraudulent, leaving banks to deal with large volumes of false positive alerts, and to then adapt their systems and processes accordingly. Not only has the sudden shift to online payments made fraud detection harder, but the adoption of digital wallets, where virtual cards are more prevalent, has created more potential loopholes for fraudsters to exploit. As new payment methods continue to emerge (open banking, crypto, BNPL and so on), scenarios for fraud to occur continue to multiply, requiring additional resources from financial institutions to monitor and prevent attacks.

According to Omdia's Retail Banking Technology Spending Forecast, IT spending on antifraud systems for monitoring, fraud analytics, case management and the aggregation of fraud-related data services by retail banks

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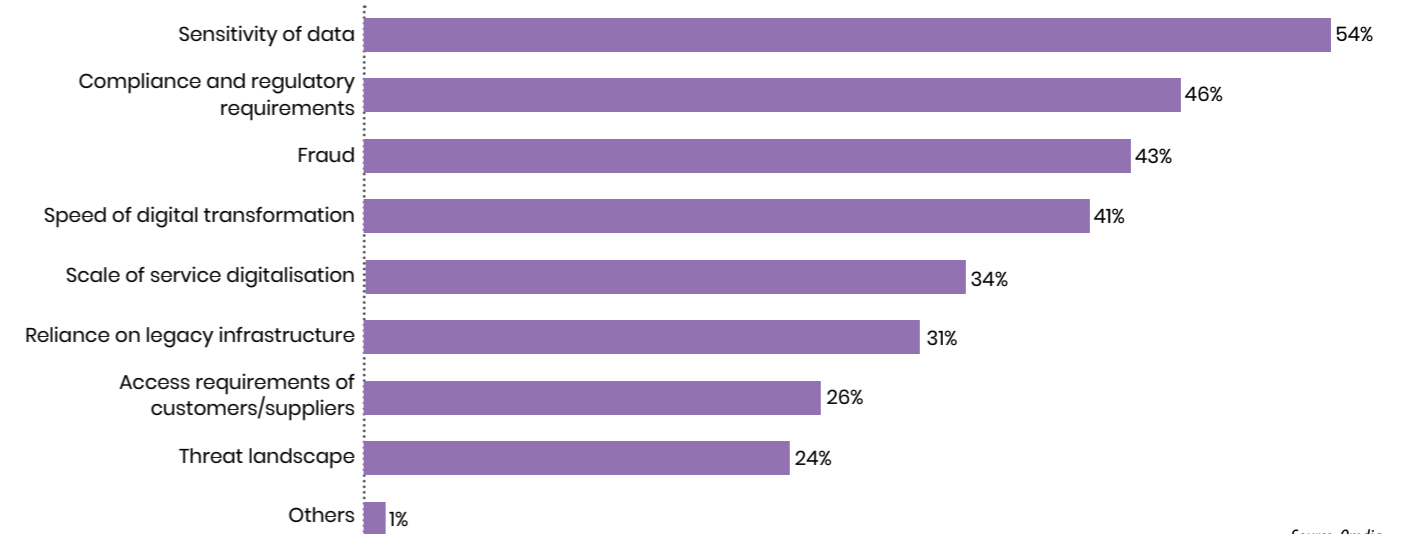


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Which cybersecurity challenges do you believe are uniquely different in financial services compared with other industries?



Source: Omdia

is expected to reach \$4.5 billion globally by the end of 2024, which will be an increase of 6.1% on the previous year. Use cases for addressing financial fraud are centred around automation and include transaction monitoring and response, credit line monitoring, case management for declined credit cards and third-party risk and continual vendor verification.

DIGITAL DEPENDENCE DAY

On 19 July 2024, the world's dependence on technology was shown in its true light. What happens if there's a coding flaw in just one of these cybersecurity stack components?

We don't need to wonder anymore. We now know. It impacts airports, banks, retail outlets, healthcare institutions and more. On 24 July, CrowdStrike provided its Preliminary Post Incident Review on the cause of the outage. This review confirmed that: "The crashes were due to a defect in the Rapid Response Content, which went undetected during validation checks. When the content was loaded by the Falcon sensor, this caused an out-of-bounds memory read, leading to Windows crashes (blue screen of death)."

The FS sector was badly hit by this outage. It impacted several segments of financial services, including the ability to access vital banking services, send/receive

payments or even trade in financial markets.

The UK and European banking sectors were already reeling from a separate outage that hit the Swift network the day before (on 18 July), impacting high-value and time-sensitive transactions and specifically the Chaps system in the UK, which is used for house purchases. This follows another separate outage which hit the UK's faster payments system in June, which meant several people received their salaries late.

WHAT CAN THE FS SECTOR LEARN FROM 'DIGITAL DEPENDENCE DAY'?

This shows that it's not just malicious attacks that are a threat to financial institutions. Even non-malicious tech outages can bring businesses to their knees.

At Omdia, we have long warned about over-reliance on cloud services. The recent IT outages will make financial institutions rethink moving mission-critical applications (such as payments) off-premises. Looking forward, there's a shift towards consolidating security tools into integrated platforms. However, as one CISO starkly put it, "Consolidating with fewer vendors means that any issue has a huge operational impact. Businesses must demand rigorous testing and transparency from their vendors."

DORA (the Digital Operational

Resilience Act) is on the horizon, which impacts 22,000 entities who operate in the financial services sector in Europe. The act forms the latest part of legislators' ongoing attempts to weave together an industry increasingly reliant on an intricate network of connections.

As part of their compliance, industry players must be able to evidence and practice measures that prove an ability to withstand, respond to and recover from any angle of disruptions or threats originating from IT systems.

Cybersecurity attacks, IT outages and scams are unfortunately an inevitable problem for the financial services sector. However, how financial institutions plan for, react to and limit the disruption will be vital to ensure consumers don't lose trust in the sector.



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](#))

Why the UK's fintech crown is under threat

By Stefano Vaccino, founder and CEO of Yapily



For a decade, the UK has held the fintech crown of Europe.

From insurance companies to challenger banks, we have a sector built on world-beating companies whose success has been driven by our early commitment to pragmatic and progressive regulation and innovation.

Open banking was supposed to usher in the next big wave of this financial innovation. It promised to bring consumers and SMEs greater and fairer access to their finances, increase competition and revolutionise consumer choice.

Yet despite the UK's strong track record with the likes of Wise, Revolut and Checkout.com, despite fintechs across the country building robust and innovative open banking infrastructure, and despite the promise that open finance brings, the

UK's ambitions for open banking appear to be stalling. Big banks are gatekeeping, while the growth of the sector is held back through inaction and indecision on the part of our politicians and policymakers.

Without immediate regulatory and government support, the UK's fintech leadership could be lost. And with it, a major source of growth in the UK economy.

REGULATORY PARALYSIS

For the past nine years, the UK has been a pathfinder for fintech, underpinned by strong regulatory leadership. We pioneered the UK open banking standard and governance model that is now copied around the globe. Yet the UK is now struggling to maintain its first-mover advantage.

One casualty of the unexpected July

general election was the Data Protection and Digital Information (DPDI) Bill, which was abandoned in the last days of the house sitting. This bill was crucial to establish the legal groundwork needed to propel open finance forward and its absence has created a vacuum, stalling progress and innovation.

The incoming government has been quick to bring a new DPDI bill to the house, indicating that it understands how important this regulation is to enabling Open Banking Ltd. But the interim entity of OBL, which is spurring innovation in the sector, is still only being funded on an interim basis by donations from 20 fintechs, challenger banks and high street banks. This isn't a long-term solution that will encourage investment or expansion of UK fintech.

industry. According to Vacancysoft, there has been a 61% annual jump in fintech vacancies since the start of the year, with total vacancies likely to be more than a third higher than in 2023 if the current pace of recruitment continues.

The current regulatory instability threatens all of this. We risk losing our investment and talent, and we could easily see it shift to rival markets, jeopardising the economic benefits fintech clearly brings.

We're already experiencing a liability shift that is undermining progress. When the PSR's new APP reimbursement scheme begins in October, receiving banks and other payment firms will share the liability with payer banks and will have to refund victims of authorised push payment (APP) scams. We believe that this will make banks even more cautious and reject many more payments. Instead of fostering a safer financial ecosystem, this new regulation could even bring our critical payment systems to a standstill, which would be catastrophic when it comes to building faith in open banking, as well as damaging innovation and investment.

GETTING THE UK BACK ON TRACK

Rachel Reeves, the country's new chancellor, faces a huge in-tray, but open banking must be a priority.

Three things must happen: first, get the DPDI Bill back on track. If we want swift action, the bill should focus on the most critical parts first, namely fast-tracking the Smart Data section, and not getting bogged down in other areas like AI. There is no foundation to push forward open finance without this bill, meaning we'll miss out on the benefits of enhanced financial inclusion, vibrant competition, world-leading innovation and the seamless integration, convenience and enhanced security that comes from having a truly transparent system.

Second, we must get open banking working. Open banking is the foundation for open finance, and getting it right

is crucial for the future of our financial ecosystem. We need the best performing APIs that provide the best customer experience – APIs that are fast, frictionless and reliable. Unfortunately, too many bank experiences are suboptimal. Customers consistently struggle to pay invoices or send out payroll, which ultimately hinders UK PLC, especially during this cost-of-living crisis where businesses are struggling with cash flow and late invoices can be crippling.

Finally, our leaders need to be more consistent and explicit on the potential for open finance. Countries like Brazil and India have set the benchmarks for promoting open finance through strong governmental backing. Brazil's Pix and India's Unified Payments Interface (UPI) have revolutionised their respective sectors, and the UK needs to adopt a similar approach. This includes making access to payment rails easier and more affordable to fuel adoption and educate consumers.

To make these things happen, regulators and enforcement bodies need to come together. We need a unified approach where those governing the future of banking are granted clear decision-making and enforcement powers. OBL must be able to hold financial institutions to account, ensuring compliance, promoting best practices, providing oversight, maintaining high standards, and driving trust and confidence among users and investors alike.

The UK stands at a crossroads: we pioneered open banking and have reaped some benefits. Fintech has already opened up financial services to millions of underserved populations – whether consumers or SMEs. Yet to maintain our fintech leadership and build on this momentum, the incoming government must prioritise policies that incentivise innovation and support growth.

For any government looking to accelerate growth and inflows to the public purse, the cost of allowing fintech to languish in limbo is simply too high.

DORA the explorer travels light

By Leda Glyptis

Those of us who didn't need to travel during the global systems outage a few weeks back fetched the popcorn and watched the chaos unfold.

There were sensationalist reports focusing on the human inconvenience and practical fall-out. There was thoughtful coverage on what caused it and what we need to do or think about next. And there were endless conversations around global dependencies and who is to blame, as well as inescapable DORA implications and horror-scenario speculation for those of us in the financial services industry about what an outage like that would mean under DORA, once it comes into effect.

And, of course, there was the endless reminiscing of outages past, along the lines of: "Oh, do you remember the [insert company name here] outage a couple of

years back, when we were meant to have dinner and Dave got stuck in the office firefighting?"

Or the time one of the major cloud providers had what we officially call 'a wobble' in the industry (technical term) and we all almost had heart attacks as a result of contemplating the potential implications of the regulators asking for full portability for all the things we ever do on the cloud forever?

Oh, the fun. The horror. The fear. The fear is real. But the reality is... outages happen.

And they will happen. As much as it pains all of us to admit it, we will never be in a world where nothing ever breaks.

And although they are disruptive when they do happen, and we should always learn from them and ensure they happen

as rarely as possible and we recover as quickly as possible, we will never be in a world free from them. So, the question (especially with DORA looming) is not how do we totally prevent them, but how do we manage the impact they have on our business, our customers and our own ability to sleep through the night when they inevitably do happen?

Because, even if you strive for perfection in your own estate (and I am sure you do), you have so many third-party dependencies that not everything that affects your life is in your control. It can't be.

And as we live in an 'online' world, those things outside your control are multiple and not all of them real time. Although, in a digital world, the impact of them working... or not... is visible in real time.

Because everything is digital.

It's not just a thing we say. It is a lived reality with all its enabling requirements met and accepted as a baseline for our everyday lives.

We all work from home thanks to high-speed internet being ubiquitous, as are the tools for system to system to person connectivity for real-time video communications, real-time ID verification, real-time payments... real-time everything. The tools for real-time everything (another technical term) are all available and, frankly, taken as a given.

I listen to my music on a streaming service that doesn't buffer or slow me down. Ever.

The one time my video streaming service paused for a second, I was so puzzled and confused you'd think I wasn't

the very same person who grew up with a TV without a remote. (Back me up here, children of the 1980s: we were the remote. When your grandad wanted to change the channel, you were called in to change it for him.)

Why am I saying this?

Because if everything is digital (and it is, that is not up for debate) and we expect real-time connectivity and real-time *truth* for everything from money to music controllers, then of course things like authenticator capabilities and real-time data parsing are key. From prescriptions to transactions, it all relies on the assumption and belief that you can

confirm I am me, I have the right to do what I am about to do and the twin ability to access it in real time (securely) and fulfil my obligations (payment, consent and so on) equally quickly and securely. Whether we are talking about my money or streaming the latest Taylor Swift album.

In that context, every service provider is and will remain on a digital journey. And for financial services, this digital journey has been a steady but tumultuous one. I am not one of those people who



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revel in pretending banks are slow and stupid. They are neither.

Digitisation has been going on for a couple of decades now and although it has not always been elegant, the amount of progress is staggering and undeniable.

EVERYTHING ON THE UP

My view, known to any of you reading me regularly, is that banks are not failing to engage. They are however falling behind in terms of their pace of digitisation as the world is digitising faster and, which is a heavy combination, they are further burdened by their reluctance to switch systems off. That last part means that they carry more operating complexity than is good for them, more cost and more vulnerabilities.

Unit costs go up.

Dependencies go up.

The number of things that can go wrong goes up.

The number of teams that need to keep an eye on things so they don't go wrong goes up.

Which means the costs go up even more.

And your organisational complexity goes up, so your operating complexity goes up.

So your dependencies go up.

Do you need me to continue, or do you get the picture?

In this context, banking organisations and FIs have done stellar work in *managing* the complexity, but get a generous B- if the exam question is to *reduce* the complexity. That has not been a priority and therefore it has not been done. At all, in some organisations. Half-heartedly in others.

DORA will undeniably shine a light on a lot of that complexity, plus a tangle of third-party risks that I haven't even talked about yet. So the pressure to simplify will be on in very real terms for our industry, even if no spectacular outage affects us to add fire to the mix.

But it shouldn't take an outage. And it shouldn't take regulatory pressure (although, I am not naïve, that is exactly what it will take).

The reality is that the watchword of your average financial services digitisation strategy pack has been 'hyper

"The watchword of your average financial services digitisation strategy pack has been 'hyper personalisation'. Which is aspirational but fundamentally nonsense because no bank holds all the necessary information."

Leda Glyptis

personalisation'. Which, as I have said before, is aspirational, but fundamentally nonsense because no bank holds all the necessary information. The very idea harks back to a world where you joined the bank your dad banked with when you had your first pocket money, got all your loans, mortgages, credit cards, travellers cheques (that's Revolut for the stone ages, for the youngsters among you) and pension and whatever else from them and never ever used a different service from a different provider.

And even in those times... that's not everything a human is or does.

Today, particularly in advanced economies, everyone is multi-banked. Plus, just to complicate the data fragmentation and access footprint further, we all use a variety of other solutions and apps and fun things like aggregators. Blame it on open banking as it allows the fragmented data footprint to not be a problem for me as a consumer but so far it doesn't hugely help you as a provider unless you do something really, really clever which hasn't quite happened yet. People have tried to make the most of data aggregation, and there's some interesting stuff going on, but don't hold your breath quite yet.

Besides, hyper personalisation is really not the best idea you've ever had.

Seriously, I will be more excited if someone works on extending my phone battery life than every single one of my banking relationships claiming to hyper personalise and then offering me a product I already have with them or have with someone else but pay out of my account with them for it so they should know. So seriously. Leave it. It's not the thing.

You can't do it and I don't want it. Not from you, anyway.

You know what I want from you? Scalability, resilience and security.

And the regulator wants it from you too. DORA is not your friend. Your operating complexity is not your friend. All the systems you are carrying from every part of your past history are not your friend.

You want to be digitally fighting fit? DORA-ready?

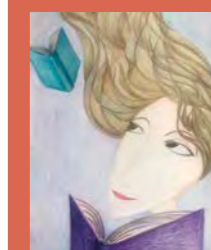
Able to sleep at night even though system outages are going to happen again because they will?

Switch the antiques off. Simplify your footprint. Lighten the load you are carrying.

Things are only going to get faster and more demanding.

So travel light, because you need to go far.

#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](https://www.fintechfutures.com) for more of her articles.



EPI's roll-out begins but key questions remain

By Fatemeh Nikayin, co-founder, Rivero

In 2020, the European Payments Initiative (EPI), a collaborative endeavour between the European Central Bank (ECB), payment providers and 16 of the continent's major banks, set out to create a unified digital payment service for Europe.

Four years later, following acquisitions across Europe and intense development efforts, the EPI has launched its account-to-account payment solution Wero in Germany, with Belgium, France and the Netherlands expected to follow shortly. The scheme aims to unify European peer-to-peer transactions, enabling users to send and receive money across the borders of supported countries within 10 seconds.

As the project expands across Europe, the innovative payments solution faces a range of outstanding areas to consider. Chief among them are scheme compliance and fraud and dispute management.

COMPLIANCE CHALLENGES

Scheme compliance is a major pillar of any payment ecosystem, enforcing interoperability and maintaining consistent consumer experiences. It's the foundational framework that enables the seamless operation among all participants in the ecosystem. International payment networks, such as Visa and Mastercard, have instituted scheme compliance to keep participants informed of updates and requirements. Weekly bulletins, accessible portals and stringent deadlines are all important parts of their robust compliance mechanisms.

Replicating such a vast and complex operation will be challenging for the EPI, involving a huge effort to collaborate, coordinate and enforce strict procedures with a wide range of stakeholders.

Alongside scheme compliance, the EPI will need to consider the management of fraud and disputes. E-commerce transactions are continuing to rise as the

industry is expected to grow at an annual CAGR of 7.24% until 2028, according to Research and Markets, increasing the importance of consumer protection. Consumers need assurance that they are safeguarded against mishaps, whether it be a failed delivery, a defective product or a cancelled service.

At present, most account-to-account payment methods lack defined rules or guidelines around consumer protection. Contrastingly, the likes of Visa and Mastercard have developed robust protection frameworks. As cardholders, their customers can dispute transactions, provide evidence and potentially get reimbursed if things go awry. Such protections not only provide peace of mind to consumers but also foster the adoption of these payment methods.

KEY QUESTIONS REMAIN

In a January interview with Fime Consulting, the EPI's chief member and strategy officer, Ludovic Francesconi, provided some clarification of the EPI's approach to compliance and dispute management.

Regarding scheme compliance, Francesconi emphasised that the EPI's Wero mobile wallet service avoids

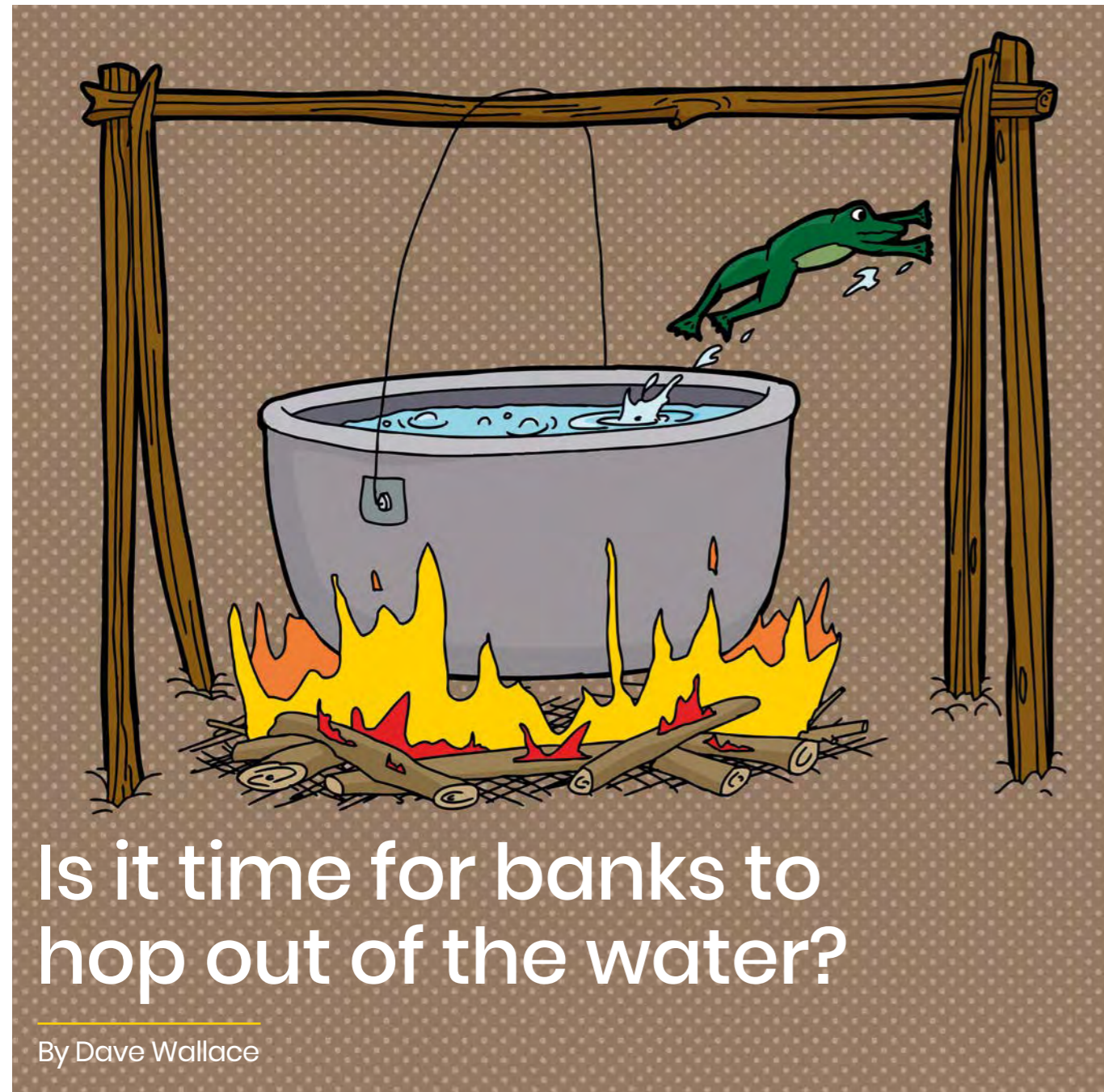
Striking a balance between convenience, security and customer protection will be a delicate act, but one that is essential to the solution's long-term success.

intermediaries, reducing the number of stakeholders involved in transactions. However, Wero maintains direct connections with local banks, utilising SEPA's Instant Credit Transfer scheme to settle payments within 10 seconds. Therefore, scheme compliance is no less necessary, and it remains to be seen whether it will adopt best practice and establish clear rules and guidelines for topics such as consumer protection. Providing a consistent, well-regulated dispute resolution process across all participating banks is crucial, giving customers the confidence they need to adopt this new payment method.

Francesconi also commented on the settlement of payment disputes, confirming that the EPI's solution facilitates chargebacks if consumers and merchants are unable to resolve a dispute directly.

However, guidelines for dispute resolution have not been clarified, and the EPI needs to outline a well-articulated strategy to handle fraudulent transactions. Striking a balance between convenience, security and customer protection will be a delicate act, but one that is essential to the solution's long-term success.

As the EPI rolls out its innovative payment solution to consumers and businesses, bringing European citizens closer together through seamless cross-border transactions, key questions remain unanswered concerning scheme compliance and dispute management. Despite clarifications from the EPI earlier this year, adoption of industry-standard best practices remains uncertain, and participating banks still lack clear dispute management guidelines. Ultimately, the success of the EPI's efforts depends on consumer adoption, which will be heavily influenced by seamless operations, ease of use and consumer protections.



Is it time for banks to hop out of the water?

By Dave Wallace

Forgive me for starting with a cliché, but I believe the following is very apt when I think about the current state of traditional retail banking.

To boil a frog, gently place it in a pot of pleasantly tepid water and turn the heat on low. It will float there placidly and slowly cook to death. If you drop a frog in boiling water, it will frantically try to clamber out.

Traditional retail banking is currently gently simmering. It was dropped into a saucepan of digital possibilities 30

years ago and has benefited since then from the warm opportunities of digital transformation. Digitalisation and automation have created efficiencies and costs have been lowered enormously.

But the water is now starting to boil, and changes are happening – environmentally, socially and technically. We stand at a moment in history when legacy banks have to make serious decisions about the future.

The question is, what will the banks do?

The time has come for them to adapt. To paraphrase David Bowie, banks must turn and face the change. If they stay where they are, they face an inevitable demise.

So, what are some of the things that are turning the heat up on traditional banks?

1. CHOICE

Customers today have much more choice. In the UK market, for instance, a wide array of banking options is available to consumers.

According to Mintel, traditional banking providers continue to dominate the market. Some 72% of UK consumers still have current accounts with the 'Big 4' banking groups (Barclays, Lloyds Banking Group, NatWest Group and HSBC).

However, according to Finder, 40% of UK citizens now have digital-only accounts. Customers have discovered they don't need to switch to benefit from the products, services and functionality of neobanks. People are increasingly using them for specific functions and giving multiple providers a go – Monzo for day-to-day spending, Revolut or Zing for spending abroad, and Chase for savings, for example.

Mobile wallets mean that physical cards are no longer a must, and as people have become used to using apps in a task-driven way, having a few apps for finance rather than an "everything app" is not a significant psychological burden. Apps are disposable. If a particular app doesn't work for them, users bin 'em.

Meanwhile, the traditional banks sit there, slowly becoming zombies, as paycheques go in and money goes out straightaway into a neobank. This behavioural shift is gradually eroding the traditional bank business models.

2. PHYSICAL CONNECTIONS ARE DISAPPEARING

Many high-street banks are closing branches, removing the 'solid' reminder of their presence from the consumer. I remember researching why people chose to bank with a particular institution. Physical presence was often cited as a critical reason. Branches physically embody a bank. Their visibility reminded customers of the institution's stature and, at the back of every customer's mind, offered a place to go if everything else failed. No branches, no physical reminder.

The disappearing 'physical' problem is further exacerbated by the fact that people are increasingly using mobile

"Big brands need to find ways of building customer loyalty and make no mistake, they will see financial services as a way of doing this. It is so entirely logical."

Dave Wallace

wallets. The bank card, the last vestige of a bank's physicality, is no longer the primary payment tool. That valuable flash of branding and touch people had as they made payments will soon be gone.

3. ATOMISATION

Banking is being opened up, 'cloudified' and embedded. I recently spoke with Noah Sharp, CEO of Vodeno, who told me he believes that consumer trust and stickiness with traditional banks is waning, especially among younger demographics.

Innovative companies are leveraging this trend by offering financial services through well-known brands, thereby enhancing customer loyalty. He gave the example of Germany's Metro AG, which provides customers with a decoupled debit card and Allegro's cashback wallet. Both are successfully creating closed-loop systems that incentivise spending within their ecosystems.

These solutions are not just about convenience. They represent a strategic move to reduce transaction costs and deepen customer engagement. Integrating financial services into non-financial platforms, such as retail and tech companies, allows brands to offer personalised financial products that resonate with their customer base. This approach strengthens brand loyalty and opens up new revenue streams for businesses by embedding financial products directly into their customer journey.

Big brands need to find ways of

building customer loyalty and make no mistake, they will see financial services as a way of doing this. It is so entirely logical. Most companies are suffering from the ephemeralisation impact of digital as their physical touchpoints disappear. Brand stickiness is becoming everything.

Unsurprisingly, many neobanks have seen the light and have been developing BaaS propositions, such as Engine, born out of Starling. They are also joined by a few legacy banks, such as Standard Chartered with Audax and NatWest with Boxed.

For legacy banks, this decoupling of product and distribution is a massive opportunity. They can turn, face the change, hop out of the water, embrace BaaS, and be embedded. Knowing banks, there will be a lot of hedging at the moment when focus is required!



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.

FINTECH FUNDING ROUND-UP



Philippines-based fintech **Mynt (Globe Fintech Innovations)** has seen its valuation rise to \$5 billion after securing a **\$393 million** investment from MUFG Bank and another **\$393 million** from Ayala Corporation, one of the country's largest conglomerates.

MUFG's investment will reportedly land it an 8% stake in the company. Ayala Corporation, a previous backer of Mynt, will also acquire an additional 8% interest, raising its total stake to around 13%.

Founded in 2015, Mynt operates two prominent fintech firms: Fuse Lending, which offers Filipinos access to business loans and microloans, and GXI, the mobile wallet operator of GCash, a popular e-wallet app in the Philippines. It previously secured a \$300 million funding round in 2021.

Bilt Rewards, a New York-based loyalty fintech, has secured an additional **\$150 million** in funding, following a \$200 million capital infusion in January. It is now valued at \$3.25 billion.

The round, spearheaded by Teaches' Venture Growth (TVG), saw participation from new investors, including the Vanderbilt University Endowment and the University of Illinois Foundation, alongside existing contributors.

Launched in 2022, Bilt provides a Mastercard-issued credit card and loyalty programme, claiming to be the "first-ever" that enables renters to earn points on rent and build "a path towards homeownership".

The firm reports that annual platform spending has increased to over \$30 billion, a 50% rise since the January round. Additionally, it claims its programme has significantly expanded its merchant client base to now include more than 3,500 fitness studios and 21,000 restaurants.

Bilt says the funding will go towards enhancing its product suite, including the addition of mortgage payments later this year, and taking its loyalty programme nationwide.

Octane, a New York-based fintech that helps individuals access financing for "major recreational purchases", has bagged a **\$50 million** Series E funding round.

The round is described as "unique" for being composed entirely of existing backers, with Valar Ventures leading the funding and Rhode Island-based VC firm Upper90 also contributing.

Founded in 2014, Octane has so far primarily looked to serve the powersports market, partnering with dealers of ATVs, UTVs, personal watercraft and motorcycles. The company offers a dealer platform and soft-pull prequalification digital tools to provide "instant credit decisions" to help streamline the purchasing process.

The fintech reports that through its in-house lender, Roadrunner Financial, it has so far originated more than \$4 billion in loans working with more than 30 original equipment manufacturer (OEM) partners.

The latest funding round builds on the \$52 million Series D secured by the company in 2021 and brings its total equity raised to \$242 million.

Trade finance platform **Vayana** has bagged **\$20.5 million** as part of its ongoing Series D funding round spearheaded by SMBC's Asia Rising Fund.

The round saw additional participation from existing backers Chiratae Ventures, Jungle Ventures and the International Finance Corporation (IFC), as well as family offices Emerald Company Pvt and Quantum State Investment Fund.

It previously raised \$15 million in Series C in April 2022.

Founded in 2017 and headquartered in Pune, India, Vayana specialises in B2B trade enablement and supply chain finance, offering solutions for document processing, trade credit assessment and monitoring. It claims to be India's largest GST Suvidha Provider (GSP), supplying SMEs and corporates with e-way bill filing, e-invoicing and goods and service tax solutions (GST).

To date, Vayana has facilitated more than \$33 billion in financing for more than 300,000 Indian enterprises and more than 3,000 supply chains.

Brazil and US-based paytech **Matera** has bagged a **\$100 million** investment from PE firm Warburg Pincus, which has also reportedly taken a minority stake in Matera.

Founded in 1987 in Brazil, Matera provides financial institutions with a range of instant payment, core banking and QR code payment services. Last year, it acquired Brazilian AI firm Cinnecta for an undisclosed sum.

UAE-based **Yuze** has secured a **\$30 million** capital injection from Osten Investments.

Founded in 2022, Yuze provides a digital platform that offers freelancers and SMEs an array of financial services through partnerships with banks and FIs, including business accounts, bill payments, corporate expense cards, bank and P2P transfers, invoicing and analytics tools.

The start-up plans to add card controls and cryptocurrency solutions to its product range, expand beyond the UAE and "empower up to one million SMEs and professionals in the next five years".

GeoWealth, a Chicago, US-based wealthtech for investment advisors and institutional investors, has secured an **\$18 million** growth investment led by global asset manager BlackRock.

The round saw additional backing from Kayne Anderson Growth Capital, which led GeoWealth's \$19 million Series B funding round in 2021, and fellow existing investor JP Morgan Asset Management.

Founded in 2010, GeoWealth offers a turnkey asset management platform (TAMP) which it says supports more than \$28 billion in assets across more than 180,000 accounts managed by nearly 200 registered investment advisors (RIAs).

Stori, a Mexican fintech unicorn, has secured a new **\$212 million** investment in a combination of equity and debt financing. The round includes \$105 million in equity, led by California-based Notable Capital and China's BAI Capital, with participation from General Catalyst, Goodwater, Tresalia Capital, GIC, Lightspeed Ventures and ACE Redpoint Ventures.

Meanwhile, the \$107 million debt portion was spearheaded by Goldman Sachs and Davidson Kempner Capital Management LP.

The fintech plans to use the funding to upgrade its tech, expand the product suite and regional presence. Founded in 2019, Stori aims to "democratise credit access for 400 million underbanked LatAm consumers" with a mobile application featuring a range of digital products and services, including savings accounts and credit cards.

Alternative lender **Finbee Verslui** has secured a **€35 million** investment from Pollen Street Capital.

Based in Vilnius, Lithuania, Finbee Verslui operates as an online P2P lending platform. Its crowdfunding solution, Finbee for Business, has provided more than 4,500 loans to more than 3,000 small businesses since its introduction in 2017.

In 2023, the company financed more than €27 million in loans; this year, it expects to achieve more than €40 million in new originations and provide financing to more than 1,500 businesses.

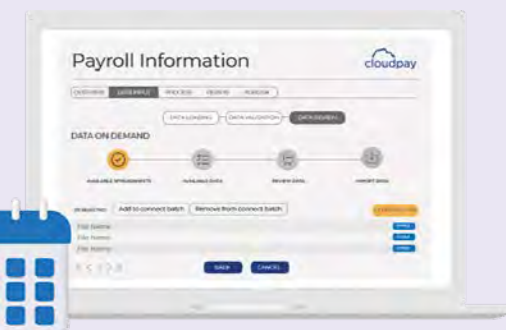
"Until now, it used to take over a week to crowdfund larger loans, while now it will take just a few hours from signing the contract to the money being in the account," says CEO Tomas Mačiulaitis. The investment will also enable the lender to lift its caps on maximum loan amounts.

Berlin, Germany-headquartered wealthtech **Bunch** has secured **\$15.5 million** through a Series A funding round led by VC firm FinTech Collective.

Existing backers Cherry Ventures and Motive Ventures also participated in the raise, alongside new supporters Broadhaven Ventures, TinyVC and angel investors from Kinnevik, Klarna and Moonfare.

Founded in 2021, Bunch provides the alternative investment sector with a comprehensive platform that automates workflows, offers real-time information, stores private market data and more.

The company has now bagged a total of \$22 million to date and claims that private funds oversee around €2 billion in assets via its offering.



CloudPay, a UK-based global payroll and payment solutions provider, has secured a **\$120 million** funding round led by New York-based asset manager Blue Owl Capital.

The round also saw additional participation from previous investors Hollyport Capital, Rho Capital Partner and The Olayan Group.

Founded in 1996, CloudPay claims to connect "all employee pay processes" through a unified platform, including on-demand pay, payments services and payroll. The company serves more than 280 corporate clients across 130 countries, with a global headcount of more than 1,350 staff.

The latest funding adds to the \$50 million it secured in 2022 in a round led by Runway Growth Capital and The Olayan Group.



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Plum, a UK-based money management app, has secured a fresh investment of **£16.1 million**. Of this, £13.4 million came via its Series B funding round supported by Eurobank, Venture Friends, Ventura Capital and new investor iGrow Venture Capital.

This is the second tranche of investment Eurobank has delivered for Plum, following a previous £8.4 million (€10 million) investment and subsequent partnership in December.

Plum has also landed £2.7 million via a Crowdcube crowdfunding campaign, said to be the “most popular campaign of the year, with more than 5,500 investors”.

The company says to have “almost doubled” its year-on-year revenues as of March, with its assets under management (AUM) now surpassing £1 billion. It also says it is on track to achieve profitability by 2025.

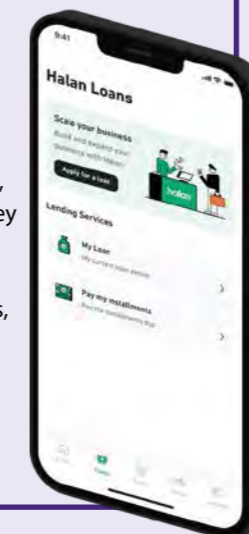
Egypt-based **MNT-Halan** has raised **\$157.5 million** in its latest funding round. Some \$40 million came from the International Finance Corporation (IFC) and the rest was provided by Development Partners International (DPI), Lorax Capital Partners, funds managed by Apis Partners LLP, Lunate and GB Corp.

The current round follows raises of \$400 million in January 2023 and \$120 million in September 2021.

MNT-Halan describes itself as “Egypt’s first unicorn”. It now plans to expand regionally, starting with Pakistan, where it already holds a microfinance bank licence, and Turkey, where it has recently acquired a commercial finance company, Tam Finans, which comes with a \$300 million loan book.

Founded in 2018 and based in Giza, MNT-Halan has developed a financial services mobile app that offers loans to consumers, micro and small businesses, pre-paid cards, payments, savings, e-wallets, e-commerce, gold and money market fund investments.

The fintech says it has 2.2 million quarterly active users, has disbursed more than \$4.4 billion in loans to three million borrowers, and serves seven million customers in Egypt.



Coast, a New York-based card and expense management solution provider for fleet-operating businesses, has raised **\$40 million** in a Series B funding round led by ICONIQ Growth. Also participating were Accel, Insight Partners, Vesey Ventures and Avid Ventures – all of which previously supported Coast’s \$92 million raise in March – alongside new investors Thomvest and Synchrony.

This latest round of funding brings Coast’s total equity financing to just shy of \$100 million, four years after its inception in 2020 by CEO Daniel Simon (who previously co-founded digital payments platform Bread that was acquired by Alliance Data in 2020).

Coast’s expense management platform enables fleet managers to authorise and track transactions for fuel. It also provides B2B fuel cards, issued by Celtic Bank, alongside newly-launched mobile capabilities, virtual cards, spend programmes and shared team budget functions.

Coast claims the expansion of its product line has resulted in tenfold revenue growth over the last 18 months, with “thousands of businesses” tapping its services to save “an average of 9-10% on fuel bills and 16 hours of monthly administrative work”.



B2B payments platform **Slope** has secured a new **\$65 million** investment led by JP Morgan Payments. Other participants in the round, which comprises both equity and a debt facility, include Y Combinator, Alt Capital managing partner Jack Altman, and Max Altman’s new fund, Saga Ventures.

Adding to a \$30 million equity investment led by Union Square Ventures last year, this latest round brings Slope’s total financing to \$252 million, divided into \$77 million in equity and \$175 million in debt.

Founded in 2021 and headquartered in San Francisco, Slope’s platform leverages generative AI to power cash management, payment reconciliation, B2B checkout, and customer and vendor risk assessment for businesses.



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)

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MOVERS AND SHAKERS



Sibongile Ngako has been named as the new chief compliance officer of US-based expense management platform **Brex**.

She joins from BNPL company Affirm, for which she developed and implemented a compliance management system during her three-year tenure as VP of compliance.

Prior to this, she spent nearly a decade at American Express, most recently as VP of US consumer operational excellence.

Jordan Lawrence, co-founder and chief growth officer of UK paytech **Volt**, has called time on his five-and-a-half-year tenure at the company. He says he is stepping back to “spend more time with my family and explore new opportunities that align with my passions”.

A serial entrepreneur, Lawrence founded PCN Capital, a fintech consulting and recruitment agency, in 2009 before starting Volt. He is also an investor in several tech companies, including Ekko, Xolvis, TruRating, and Oxl.

His departure follows Volt’s \$60 million Series B round, the appointment of former Stripe Europe CEO Matt Henderson as a special advisor to the board, and securing an e-money institution licence in the UK.

Lloyds Banking Group has appointed **Rohit Dhawan** as director of AI and advanced analytics, a newly created role. He will oversee the bank’s AI Centre of Excellence, shaping its AI, machine learning and advanced analytics strategy.

He joins from Amazon Web Services (AWS), where he acted as the regional head of data and AI strategy for Asia-Pacific over the past three years. Prior to this, he served as a director in Accenture’s applied intelligence group and as the company’s head of ASEAN customer and marketing intelligence.

Dhawan comments he is joining an organisation “undergoing one of the largest transformations in financial services”. Lloyds has hired 1,500 technology and data specialists this year alone, bringing the total to more than 4,000 in the past two and a half years. It is also currently piloting 50+ AI and analytics use cases.

Industry veteran **Bridget Engle** has been named as the new senior EVP and head of technology of **Wells Fargo**. With more than 30 years of experience, Engle moves from BNY, where she served as CIO. Prior to this, she worked at Bank of America, ending her tenure as the bank’s CIO of global banking and markets.

Meanwhile, **Tracy Kerrins**, Wells Fargo’s global CIO for the past four years, will now lead consumer technology and spearhead a new generative AI unit, reporting to Engle.

Dutch banking heavyweight **ING** has appointed **Daniele Tonella** as its new CTO. Tonella takes over from Marnix van Stiphout, ING’s chief operations officer and chief transformation officer, who took on the role on an interim basis last November following the departure of Görkem Köseoğlu, who left the bank shortly after his promotion to CTO to start his own fintech, Prometa.AI.

Tonella brings more than 20 years of experience in tech leadership to ING, and currently serves on numerous boards. In 2017-2021, he held several leadership roles at Italy’s UniCredit, including digital and information officer, and ultimately serving as CEO of UniCredit Services.

Corlytics, an Ireland-based regtech provider, has appointed **Steve Barnes** as group CTO. Bringing 20+ years of experience, he was most recently CTO at AQMetrics and previously held multiple tech leadership positions at Norkom Technologies.

Dr. Oisín Boydell has been named the firm’s new chief data officer and will lead the company’s AI strategy and implementation. Boydell, who started his career as a software engineer, has spent the past 11 years working at University College Dublin, where he served as the research director of Ireland’s National Centre for Applied AI (CeADAR). **Ray O’Donnell**, who has worked at Corlytics for the past seven years, is moving from head of technology to group chief tech architect.

Andrew Smith, co-founder and CTO at **RTGS.global**, a London-based cross-border settlement fintech, is leaving the firm he helped establish in 2019.

“It’s always hard to step away from a company that you have had the vision to create, build and work so hard on,” he says. “As the company moves in a new direction, away from that vision, it is inevitable that those behind the vision no longer are a good fit.”

RTGS.global had a leadership reshuffle last year as Dave Sissens stepped down as CEO, succeeded by chief commercial officer Jarrad Hubble. Since Hubble’s appointment, the fintech has expanded into new markets, securing pilot agreements with three banks in Tajikistan and Montenegro to use its settlement service.

“I’m sure I have at least one more market changing fintech innovation in me,” adds Smith.

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



“RELIEF”

Cartoon by Ian Foley

In 2023, about 3,000 venture-backed start-ups shuttered globally (up from 467 for all of 2022). January emerged as the nadir for seed-stage, Series A and Series B companies shuttering, while February saw the highest shutdown rates for Series C and beyond.

Tom Loverro, who recently published his ‘Great Reawakening’ thesis on social media, remarks: “We have to get out of our Stockholm Syndrome, and get back to thinking: ‘Hey, maybe it’s okay if my start-up burns a little more money.’”

Spurring on this sentiment is that four technology start-ups – Astera Labs, Reddit, Ibotta and Rubrik – currently are all trading above their IPO prices. However, Jeremy Glaser, a lawyer and co-chair of Mintz’s venture capital and emerging companies practice, says: “I don’t know if we are there yet. We have some positive signs, but we need to see more companies staying above the IPO price for an extended amount of time.”

Also, the start-up market is not universally similar, with some sectors already experiencing growth (for example, AI), while others (for example, fintech) remain in the doldrums and have low growth sentiment.

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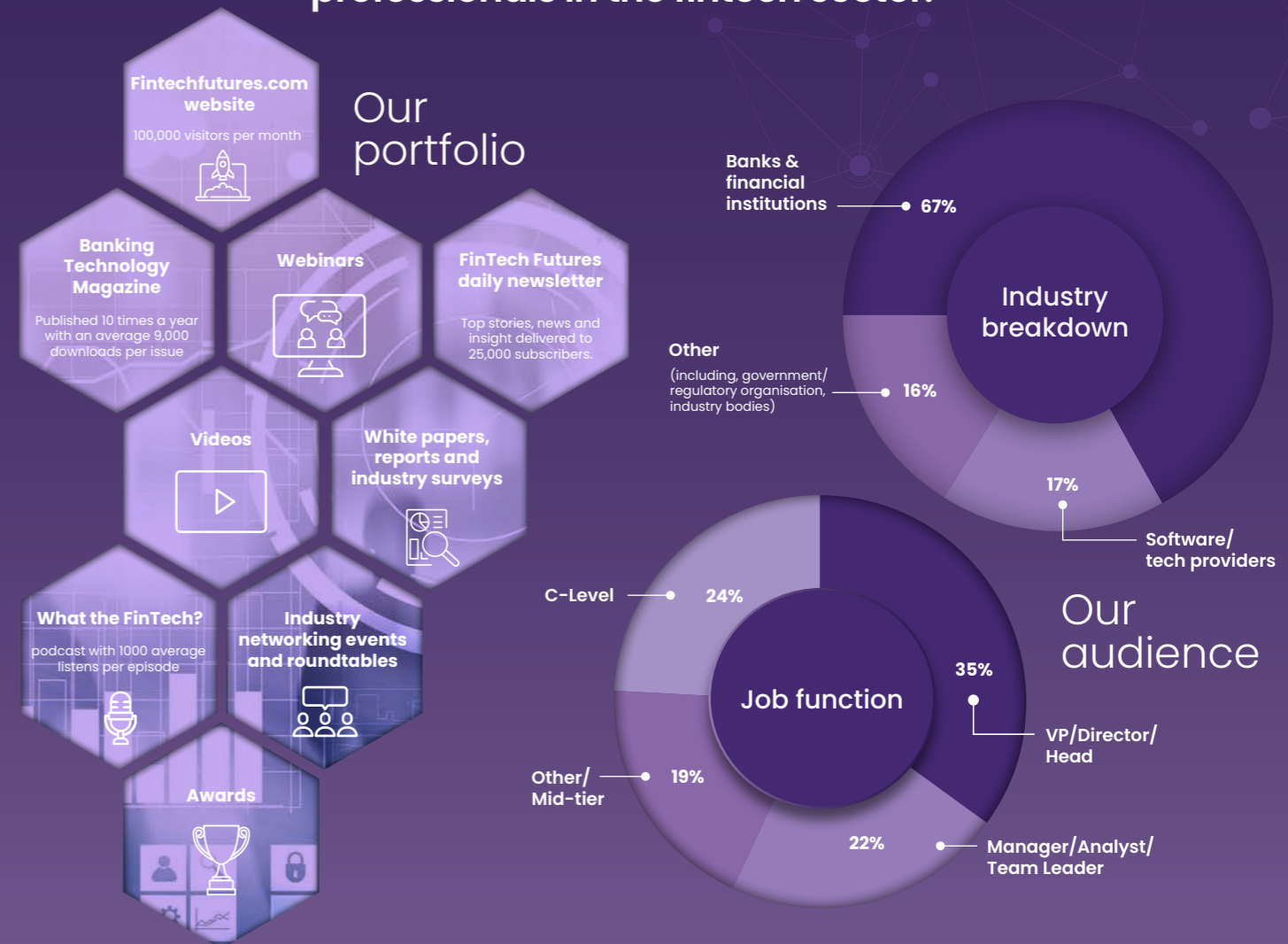
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The awards ceremony is set to take place on **May 29, 2025** and will be held at **583 Park Avenue**, New York

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

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