DAILY NEWS AT SIBOS

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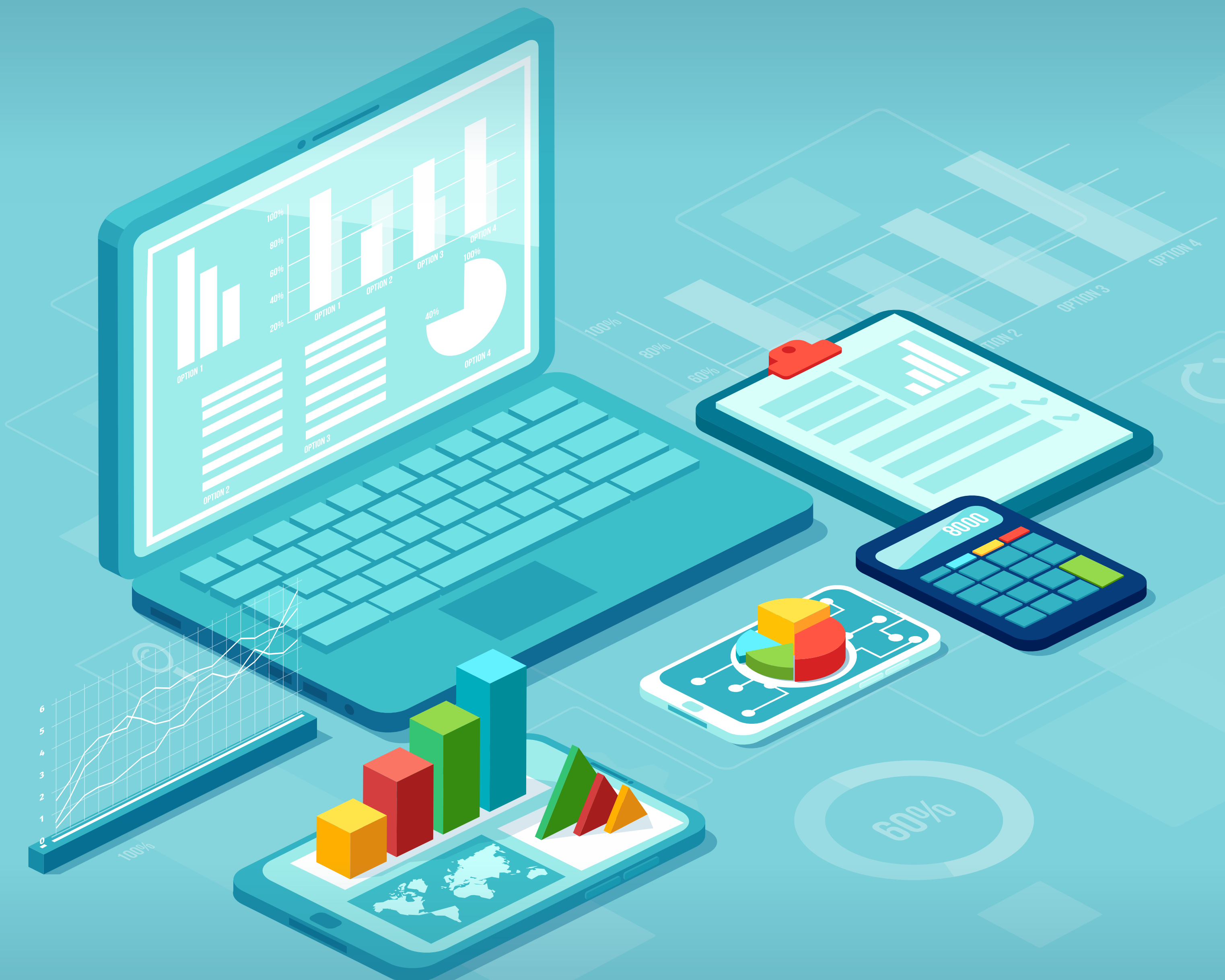

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Editor's note

Building on its first all-digital event last year, Sibos returns for another fully online iteration in 2021.

As such, this year's Daily News at Sibos comes to you in digital format once more, giving you a feast of insights and discussion focused on the future of finance in one supplement.

We aim to explore the theme of the conference, which this year is "recharging global finance" through digital acceleration, technological innovation, managing risk and greater diversity and sustainability.

The magazine features insight from a number of regular FinTech Futures columnists. Dr Leda Glyptis, Chief Client Officer at 10x Banking, takes a look at the 4-day event and what the future of money debate will be about, while AskHomey CEO Dharmesh Mistry discusses banking beyond the Covid-19 pandemic and how companies can do more when it comes to helping others and the planet.

I speak to SmartStream CEO Haytham Kaddoura about the most prevalent technology trends and opportunities as finance moves into the future, including AI and machine learning, as well as how the company has evolved and adapted through the pandemic.

NMD+ founder Dave Wallace dives into how the finance industry can look to help combat climate change and future ESG trends to look out for, and Unconventional Ventures founder and author Theo Lau discusses how firms should aim to take advantage of the technology and digitisation boom to boost diversity and financial inclusivity.

Feel free to check out our website for this year's latest Sibos news.

Editor, Paul Hindle

Exclusive: Santander's PagoNxt to discontinue PagoFX app to refocus on trade services

PagoNxt, the payments fintech run by Banco Santander, will discontinue its international money transfer app PagoFX, with plans instead to integrate the technology into its trade services business.

Users of the app have been informed by email that they will no longer be able to use the service to send payments after 30 November.

The company will continue to provide customer support and maintain the operational flows of payments originated before this date to ensure they are processed before the app is shut down and disconnected.

PagoFX was launched just last year in the UK, Belgium and Spain and provides cross-border payments services for individuals to send money across the globe.

Cedric Menager, CEO at PagoFX, said at the time of the app's Spanish launch in December: "Our vision is to be the world's most trusted and loved way to send money abroad and we want all our customers to feel confident about sending money overseas."

FinTech Futures understands PagoNxt has now shifted its strategy and will instead redeploy most of the PagoFX assets and money transfer rails as part of its trade services business to offer small and medium-sized enterprises (SMEs) and corporates international payments, supply chain and trade finance solutions.

A PagoNxt spokesperson says: "We have ambitious plans to grow PagoNxt and expect to more than double revenues in the medium term, with an immediate focus on high growth segments such as merchant and trade services.

"To help support this growth, we have decided to integrate the PagoFX technology into our trade services business to leverage the fast and secure payment capabilities offered by the service."

The firm also plans to offer its payments technology to Santander banks and third parties through API access, allowing banking entities and financial firms to bolt on the service and tap into its payment rails for international trade.

The spokesperson adds: "The technology will allow us to provide instant international payment services to clients both through Santander and third parties."

Google pulls Plex after less than a year in development

Google has canned its Plex offering, which would have synced with Google Pay and seen the tech giant take on banking incumbents.

The cancelled Google Plex is due to missed deadlines and the departure of a Google Pay executive behind the project, the Wall Street Journal reports.

The move comes two years after the financial wellness and money management platform, which would also have provided accounts and cards through partnerships with banks such as Citigroup, was first announced.

Plex was to have no monthly fees, overdraft charges or minimum balance requirements and users would have been able to request a physical debit card, which would have run on the Mastercard network.

Google planned to roll the platform out across 11 bank and credit union partners, who would offer Plex accounts to all customers.

The firm's new strategy, according to a Google spokeswoman, is to deliver "digital enablement for banks and other financial services providers rather than us serving as the provider of these services."

Talking to CNBC, Google says its work with banking partners made it "extremely clear" that in-store transactions.

According to the WSJ, Citigroup had 400,000 people on the waitlist for Plex, which suggested a reasonable degree of interest in the service.

A Citigroup spokeswoman said the bank now plans to pitch other accounts to potential customers who signed up for Plex.

Plex may also be yet another victim of the Covid-19 pandemic, which threw it off schedule.

The man behind Plex, Caesar Sengupta, left Google in April and was replaced by former PayPal exec Bill Ready, who according to WSJ adopted a less "disruptive" strategy to Google's relationship with the banking sector.

Apple Pay contactless exploit allows unauthorised payments from Visa cards

Researchers have found an exploit on iPhones where large unauthorised contactless payments can be made via its integration with Visa.

The exploit affects Visa cards set up in the iPhone's "express transit" mode. The mode is designed to enable commuters to make contactless payments without unlocking their phone.

Researchers from the Universities of Birmingham and Surrey have discovered payments of up to £1,000 can be made via interference from radio equipment.

An Android phone running an application can use the radio equipment to trick an iPhone into thinking a false payment terminal is a ticket barrier.

As the iPhone initiates the payments, a separate modification tricks the device into believing it has been unlocked and the payment is fully authorised, allowing larger transfers.

The researchers say the Android phone and payment terminal used don't need to be near the victim's iPhone.

Dr Ioana Boureanu, of the University of Surrey, says the terminals could be "on another continent from the iPhone" as long as an internet connection exists.

According to the researchers, who have only tested the exploit in lab conditions, they approached Visa and Apple about the problem in late 2020.

Apple spokespeople stated the issue lay with Visa's system. For its part, Visa has emphasised the security of its platform and the lack of real-world testing.

"Variations of contactless fraud schemes have been studied in laboratory settings for more than a decade and have proven to be impractical to execute at scale in the realworld," a spokeswoman said.

Dr Andreea Radu of the University of Birmingham says their work shows "a clear example of a feature [...] backfiring and negatively impacting security". "Our discussions with Apple and Visa revealed that when two industry parties each have partial blame neither are willing to accept responsibility and implement a fix, leaving users vulnerable indefinitely."

Report co-author Dr Tom Chothia adds: "iPhone owners should check if they have a Visa card set up for transit payments, and if so, they should disable it.

"There is no need for Apple Pay users to be in danger but until Apple or Visa fix this they are."

HSBC hires Google veteran to lead commercial banking platforms

HSBC has hired former Google executive Aman Narain to lead its global commercial banking platforms.

Narain, who describes himself as a "banker turned Googler", spent four years at the Big Tech before leaving as global new payments ecosystems lead.

His tenure at the firm's Singapore office saw the launch of Google Pay in the country, He also helped design the GooglePlex Account, the Big Tech's feted mobile banking app.

Narain joins up with HSBC in Singapore, and will report to the company's regional head of commercial banking, Stuart Tait.

"Aman is an excellent addition to the global commercial banking team," says Barry O'Bryne, chief executive for global commercial banking at HSBC.

"As we continue to invest in our digital platforms, Aman will be instrumental in driving the adoption and buy-in."

HSBC has shifted its focus in recent months towards its operations in Asia.

The bank already makes the bulk of its revenue from the Asia-Pacific region. In 2020, HSBC's Asian business reported $12.8 billion in profits.

In the first quarter of 2021, Asia accounted for two-thirds of HSBC's adjusted profit before tax across its wealth and personal banking business, or $1.2 billion, according to Hingston.

Revenue brought in by this Asian operation also rose 57% in the same quarter, with wealth balances in the region increasing by 18%.

In August the bank announced its acquisition of Axa's Singapore operations in a deal worth $575 million.

The future of money starts now

By Dr Leda Glyptis, Chief Client Officer, 10x Banking

The future of money is the most iconic session at the most iconic of conferences, Sibos.

I have been lucky to have been part of the conversation more than once, over the years. And we have never pulled our punches.

The team at Innotribe always made sure of that.

We have never not gone to the boundaries of the question and asked the hard, unspoken parts of 'what next?' And it is never enough. Because year on year that frontier is moving. Faster than you would expect. Faster than should be possible. And yet here we are and here it is and that is why, year after year, we get together as an industry and pause to take stock on the big questions that are often moving faster than us.

Gone is the discussion about what banks should do next.

About whether the future is cashless.

About how to regulate digital assets and smart securities.

Not because they were not a thing.

Not even because we have solved all these challenges, as an industry.

But because change waits for no man, woman or bank.

The world is moving fast, and just as we were wrapping our heads around each of these questions, the next one popped up with implications more sweeping than the first.

Just as we were wrapping our head around digital transactions and digital assets, the next logical thing appeared. And now we are facing into central bank-backed digital currencies.

Last year, we spent a lot of our time at Sibos speaking to regulators and central bank representatives from around the world around what CBDCs meant. What they were for. What is the art of the possible.

And a lot of caveats were offered.

But not so fast.

I even wrote a piece for my regular FinTech Futures column, 'Central bank digital currencies – don't get the popcorn', because the focus was on what is technically possible, what proofs of concept are in flight and why their aims are modest and what this can achieve for the payments industry, which, frankly, is already over-serviced and the tech is faster and better than the human processes using the tech. So until the humans catch up with their tools, more tech won't move the needle.

And the rest sounded a bit underwhelming in terms of what was about to happen. No car chases, no explosions.

And frankly, I am yet to be persuaded that the next chapter or two of CBDCs is… exciting.

I just don't see it.

But the future? The stuff that comes after the boring bits?

That's riveting and exciting and downright scary, and what the Future of Money is about this year.

What do central bank-issued digital currencies mean, really?

Forget payments.

That's plumbing, that's mechanistic. For as long as we need to exchange items of value for goods and services there will be ways that allow us to do that.

But what we exchange for goods and services and who is involved in the process is a different story.

And for once, I am not going to focus on the banks and the bankers - have no fear, I will be back onto that very soon. I am way too fascinated by what we exchange.

Because digital currencies are effectively programmable money.

And you know what that means?

That means it will be possible for the issuer of the programmable currency to make it impossible to spend in certain ways. In certain industries. In certain countries.

Gambling. Alcohol. It will be possible to make it impossible for you to pay for a luxury item, or perceived luxury item, a holiday or a new car before you have paid your child support or your taxes or your rent. It may be impossible for you to spend your money in France or Bolivia.

Oh, come on now, I hear you say.

Why would anyone do that?

Because the vast majority of regimes are illiberal.

Because even liberal regimes have short-term goals that need to be met and the means sometimes feel, rightly or wrongly, sanctified by the aims.

Because the vast majority of experiments start small. And by the time they get big they have made a lot of foundational assumptions and set things in motion and created precedents.

Because the vast majority of regulators look at the piece of the world they have been assigned to police and protect and regulate and they don't feel they can or should take on the world. Take on ethics. And moral imperatives of freedom and individual self-determination.

Because the road to hell is paved with good intentions, that's why.

Because, as Anton Chekhov put it, if there is a gun on stage in the first act, someone will use it by the third act.

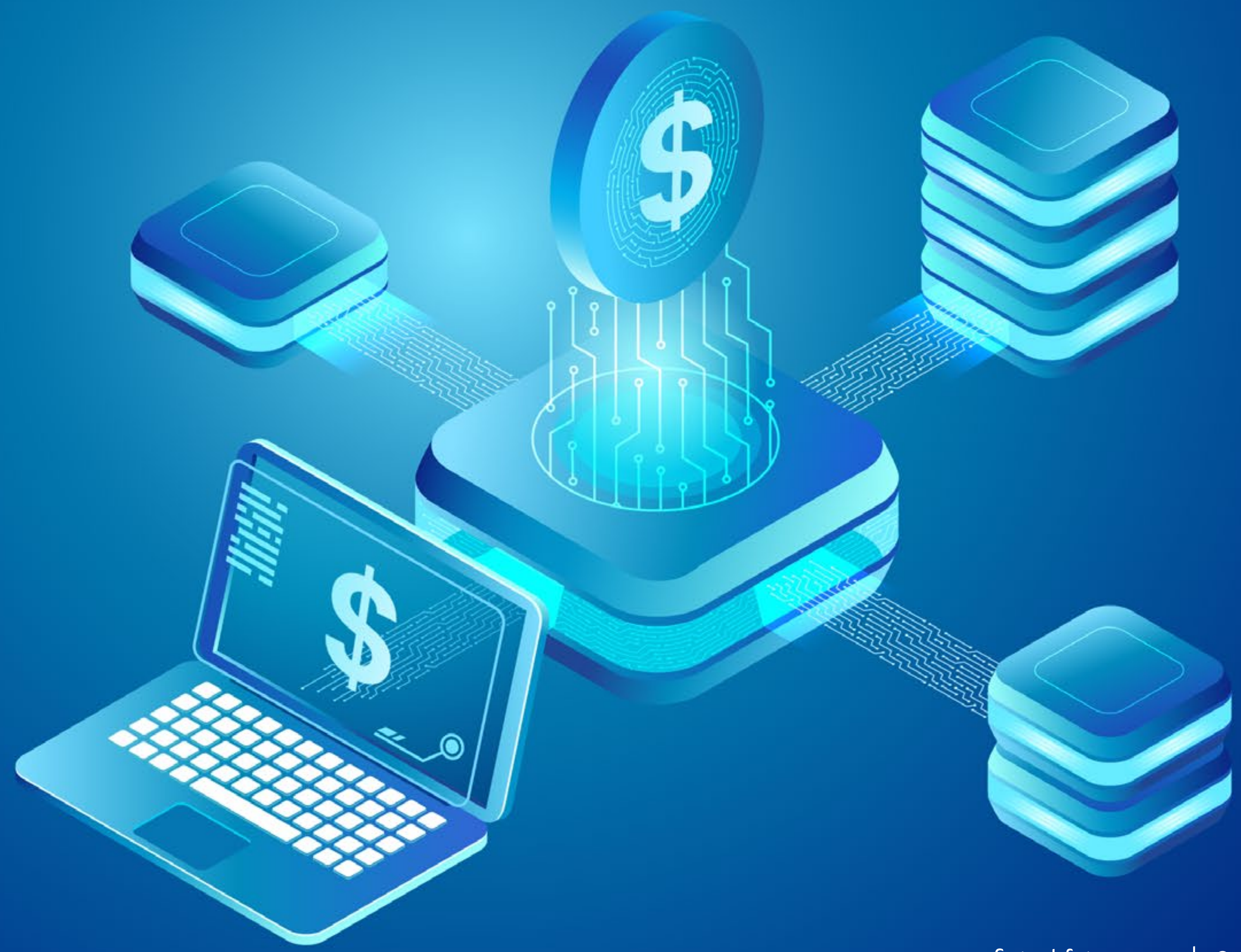
So. Let's not put a gun on stage.

How do we do that?

Regulation, of course.

But where do you begin?

Frankly, at the beginning.



Understanding the art of the possible, not in a thousand-foot view, but really, really understanding what we are dealing with here.

Go deep. Go dark. How bad could it get?

For every dark and sinister transaction that is now forced into the light, how many things will now be policed and subject to the whims of a variety of regimes that may have views on what is good for you?

Let's face it, humans are not exactly in agreement as to what the right way to live is. From religious extremism to the deep divisions inside democratic societies, there is more polarisation in recent years than ever before in times of peace and, I bet you, our view of what is ethical and who is allowed to opine on it will differ dramatically depending on who we ask.

And the scariest thing is we are not even asking.

The industry is evolving. Baby steps are adding up to a lot of distance travelled. Techies are pushing the boundaries of learning.

Central bankers are dealing with the next problem in front of them.

None of them are ethical philosophers and, frankly, as central banks came to life originally to fund wars, I am not sure the pedigree is what I am after here. No offence to good people doing good work the world over.

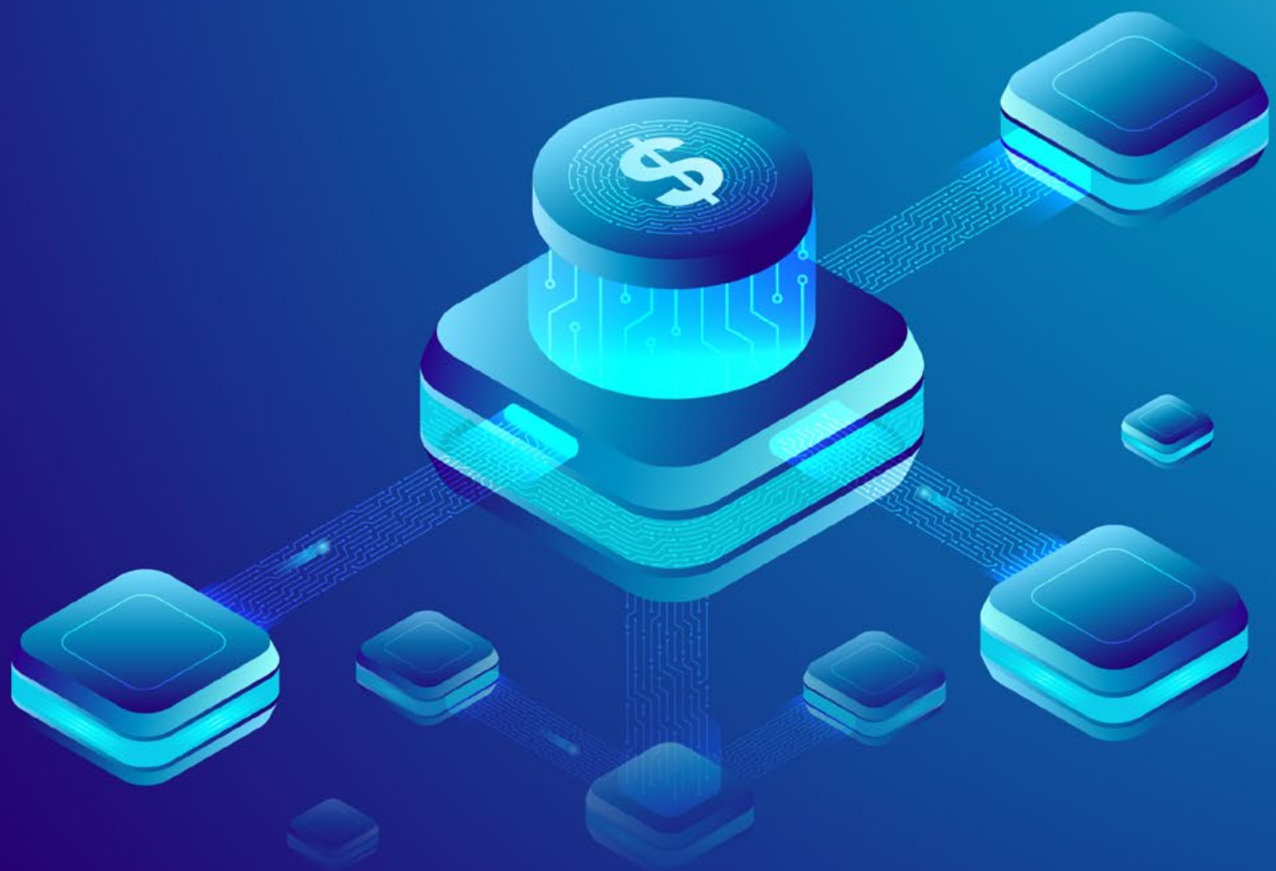
All I am saying is: the future of money is exciting. It's digital and it's programmable and it's radically different to what we have hitherto known. But there is a very real sense in which the future of money could be highly dystopian. Scary. Constricting. A vehicle of power in ways much deeper and much more insidious than wealth has served power up until now.

Or not.

Maybe there is time to act with intent and deliberation and craft a new path.

That's what the future of money debate will be all about.

Don't you want to tune in now?



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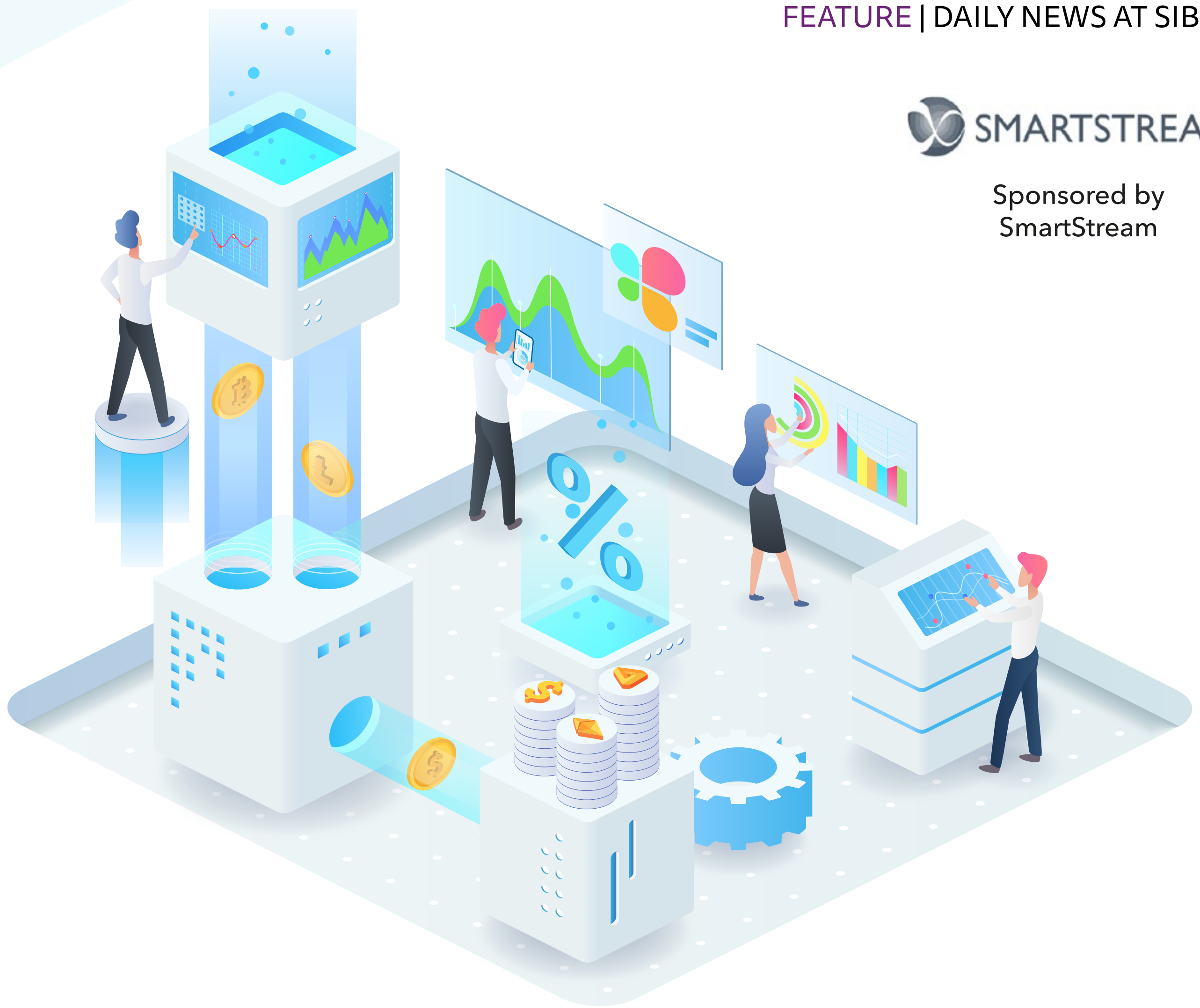
SmartStream CEO: "I've never seen the industry refreshing itself more"

By Paul Hindle, editor, FinTech Futures



The Covid-19 pandemic has seen banks and financial institutions accelerate their digital transformation efforts to meet ever-evolving requirements, with the need to refresh strategies and ensure technological resilience, efficiency and sustainability now more important than ever before. We spoke to SmartStream CEO Haytham Kaddoura about the most prevalent technology trends and opportunities as finance moves into the future.

Banks and financial institutions have no doubt had to move quickly to deliver results over the last 18 months, and the speed of change shows no signs of slowing down.

With the number of new digital alternatives and technological developments rising along with the tsunami of data being collected by banks in need of reconciliation, it seems finance will be in a state of continuous evolution for many years to come, and digital transformation should be a key part of any business's strategy.

"I do believe digital transformations are probably the largest initiative for any institution today," says Haytham.

"It's no longer enough to say we've got some great results and this is my digital programme and I've ticked all the boxes. Institutions need to continuously upgrade and enhance their service offering."

With more than 40 years' experience in the sector, SmartStream is well placed to understand the shifting requirements facing financial institutions. Even prior to the pandemic, the global software and managed services provider was looking at what the future might bring to give it a competitive advantage and stay ahead of the curve.

The company's Innovation Lab has been running since 2016 and has partnered with a number of SmartStream's Tier 1 banking customers to run pilots and investigate the use of artificial intelligence (AI), machine learning (ML) and blockchain in their operations.

These partnerships assess how advanced technology can be used to re-engineer traditional processes to boost efficiencies, cut costs and enhance business plans.

This forward-thinking attitude meant the firm was able to effectively respond to the increasing demands of its clients as the pandemic unfolded. The company was able to take on more backend operations and work with clients to adapt to their evolving needs.

Key areas of focus for the firm during this time have been the use of AI and ML for data reconciliation and cloud migration of backend services.

"AI in particular" Haytham says, "will only grow in importance moving forward".

"I think the adoption of these newer technologies like AI and distributed ledger technology in banks and other institutions will mushroom. We've only seen the tip of the iceberg, but now institutions are really starting to look at how to leverage data, how to better understand clients, and how to better assess and manage risks."

It's well known that banks have huge amounts of data, and the use of AI to manage reconciliation functions has helped institutions derive more useful and applicable information from their data about customers, business behaviours and trends to make large strides in efficiency and better serve clients.

"One of the issues we've seen with some of our clients is that there's no shortage of data. The issue is, what's accurate? How do you enrich it? What's your master copy or golden copy? And this is where the trend is heading," says Haytham.

SmartStream's own cloud-native AI data reconciliation tool, SmartStream Air, is now in its fifth iteration. Powered by the firm's 'Affinity' AI module, SmartStream Air analyses data and observes user actions to establish its own understanding of how records correlate. Auto-generated rules and comparison AI modules then produce a set of results within minutes, reducing the time it takes to match complex data sets.

Affinity acts as a virtual user to support businesses dealing with large amounts of data – the more it observes, the more accurate it becomes, boosting matching rates.

Users are provided with information about the matching, including the AI confidence rate and graphical explanations of how the predictions are made.

"Air, I think, today is one of the most capable AI engines focused on data reconciliation," says Haytham.

"It can take any file and compare it to any other file quickly, whether you're looking at transactions, record signing, or consolidating bank accounts from all over the world.

"The applicability of these technologies is just increasing. AI is attainable and easier to utilise than a full stack front office system, and today you can effectively implement an AI platform in minutes."

Boosted by the increased drive and interest from financial institutions around digital transformation strategies, the company aims to continue its AI and ML development efforts to unearth new applications of the technology and create innovative solutions.

"As we continue to work with our clients, we will enhance our AI use cases. It's a very exciting time because there's a willingness from institutions to start testing and experimenting in different areas," says Haytham.

"The message coming from the top is you need to consolidate and work with more strategic vendors and really expand into areas that the institution can benefit from.

"It allows institutions to build around our platform, and we can help them build it out and work together to see where we could expand, and it really strengthens the partnership we have with a lot of clients."

The mindset of financial institutions has changed, and the traditional barriers to innovation have been brushed aside in favour of optimism and enthusiasm to embrace technological advancements and push the boundaries of what can be achieved.

"They want to try something new, so we need to do something innovative. I've never seen the industry refreshing itself more."

It's time to put our heart back into our ecosystem – and build what matters

By Theo Lau, founder, Unconventional Ventures

Having access to employment, being able to buy and sell goods and services, creating and leveraging savings over time – along with the ability to move money, store money, access credit, and invest – these are all modern-day financial activities that many of us come to expect and often take for granted.

However, access to banking services remains uneven, with nearly 1.7 billion people unbanked globally and many more who are underbanked. And the challenge is not limited to developing countries alone.

Over 5% of US households (approximately 12 million adults) are unbanked. A further 11% of US households (approximately 24 million adults) are underbanked and still relying on some fringe financial services, such as cheque cashing facilities.

Approximately 2.3% of the UK adult population (1.2 million adults) are unbanked, according to the FCA.

Having a bank account is only the beginning of a long journey fraught with additional challenges, from the ability to continue higher education or receive and transfer funds locally and abroad, to starting a new business, buying a home, or saving for the future.

Access to financial services is a crucial tool to help our most marginalised citizens escape poverty and move up the economic ladder, and for women in particular.

Through loans and grants for women entrepreneurs, along with vocational training, more women can participate in the innovation economy, gain financial security, and boost the economy.

According to the World Economic Forum's latest Global Gender Gap Report, it is estimated that it will take another 267.6 years to close the gender gap in economic participation and opportunity for women.

That is a gap that is not only unacceptable – it is a human-made problem that is avoidable.

Economic equality is a right, not a privilege

From the US, UK, Africa, China, India, Southeast Asia, and beyond, new global fintech business models have emerged over the past two decades, upended the world of financial services, changed consumer expectations of what can be done, and challenged incumbents to move beyond the status quo.

The innovative use of basic telecom services by m-Pesa to facilitate movement of money between consumers and businesses, for example, has been credited for lifting 2% of Kenyan households out of poverty.

Elsewhere, the India Stack, which includes the Aadhaar identity platform as one of the key pillars, is considered to be the most important innovation to formalise India's domestic economy through digital services.

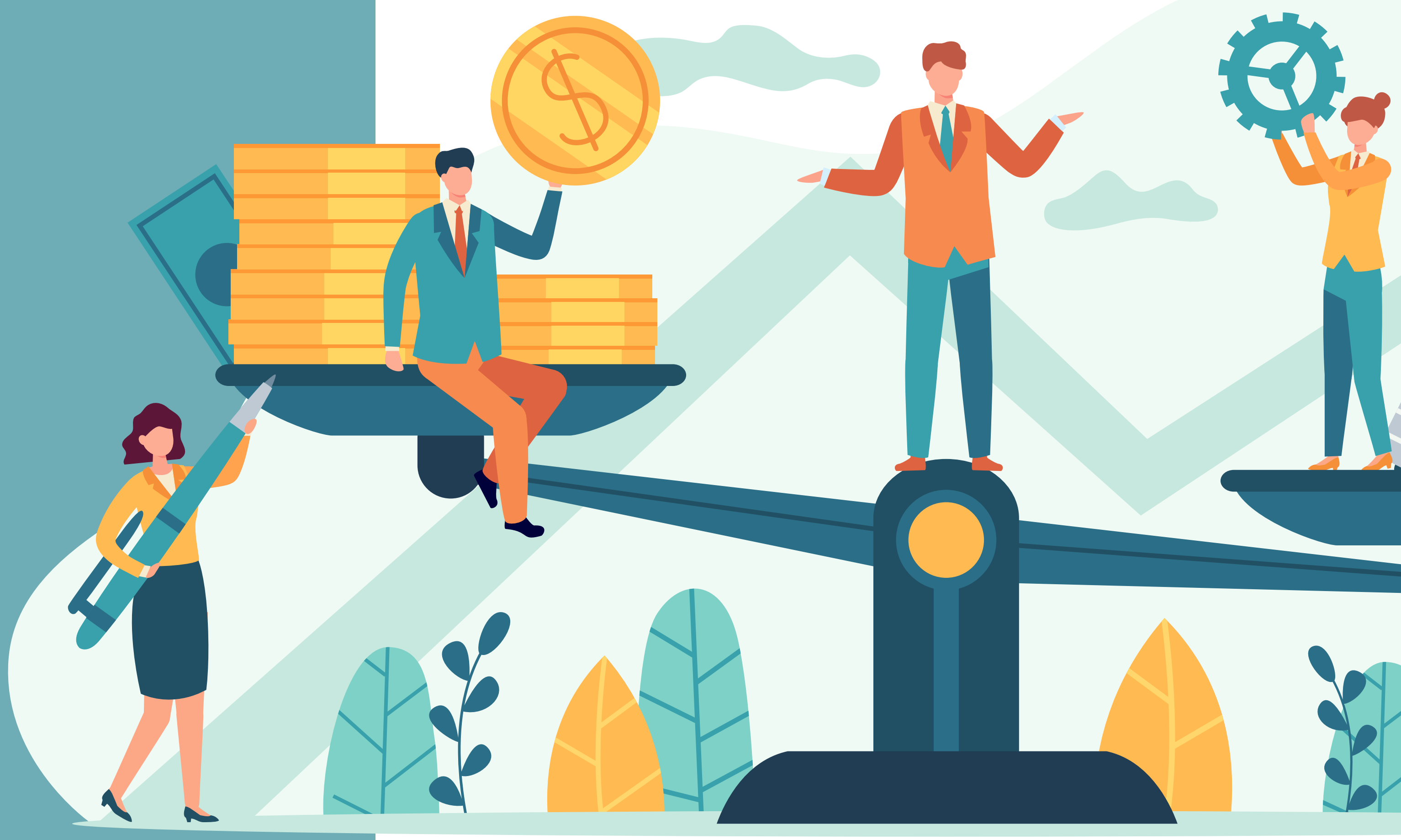
From Ant Group, Paytm, Grab, and GoJek, to Robinhood, SoFi, Wise, and Nubank, thousands of fintech start-ups around the world have made great strides in building new digital products and experiences from lending, payments, investing, and beyond.

Opportunities with changing demographics

As our world continues to experience demographic changes, it is now more urgent than ever to challenge the status quo and serve more of our diverse society.

The recent uptick in "speciality" fintechs is a great example. Far from serving purely a market segment, community-focused fintech start-ups are showing us how technology can help connect us through commonalities, with financial services as a vehicle.

Banking is an essential and crucial service, not only for individuals but also for a country's economic



development. As an industry and as a society, we need a renewed focus on the basic needs of those who are not served by our current system.

It is time to re-imagine financial services beyond products and buzzwords, or yet another budgeting app with a shiny new user interface. We have the know-how and the technology to create something truly meaningful – to impact the wellbeing of not only one, but multiple generations.

And as we have learned from our collective experiences in the past year, women are the backbone of our economies. As we slowly emerge from the health and economic crisis, we must put women and marginalised communities in the centre of economic recovery. And we have the responsibility to do so in a useful, trustworthy, affordable, and sustainable manner.

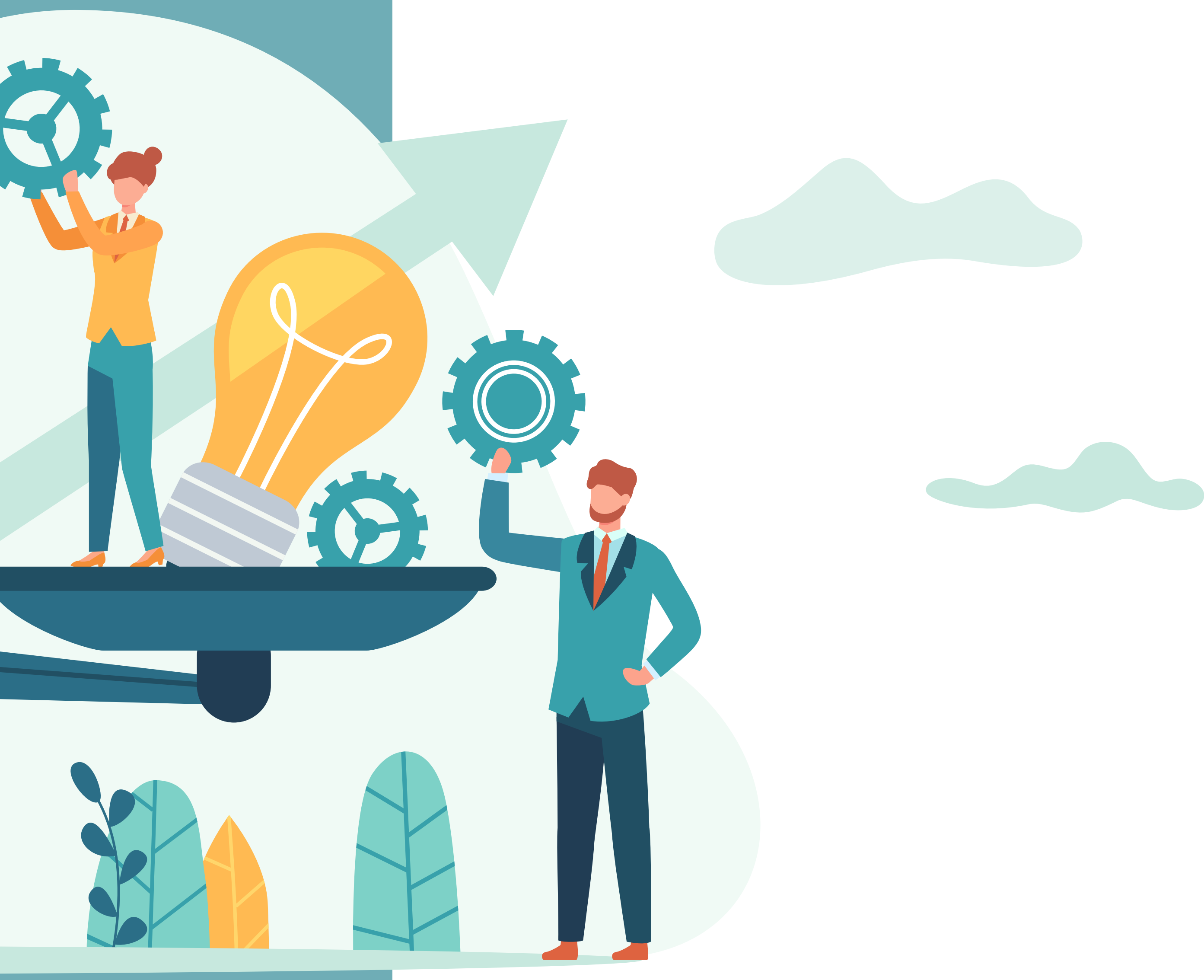
Together, we can re-imagine a different future, one where people of all ages, genders, sexual orientation, ethnicities, and backgrounds can thrive; one where their collective wisdom and lived experiences are vital to our society at large.

Together, we thrive.

It is time to put our heart back into our ecosystem – and build what matters.

We have seen tremendous innovation and wealth creation in the past two decades, much of which is not equally distributed. Economic inequality is a human-made problem that can be solved.

A purposeful application of technology can become the catalyst for greater social responsibility beyond shareholder value. Let's create a more equitable future for all.



Financial services and the fight against climate change

By Dave Wallace, founder, NMD+

The Covid-19 pandemic showed what can happen when a catastrophic event tests the global economy. Arguably it was a mere dress rehearsal for what may occur due to climate change. According to scientists and governments, climate change is the key challenge facing humanity.

The scale and criticality of the finance industry mean it is particularly exposed to the positive and negative outcomes resulting from whatever happens over the next few years.

So, what might happen? Let's take a look at some possibilities.

Financial instability caused by nature

The most obvious impact is likely to be increased market instability.

The Network for Greening the Financial System (NGFS), a collection of 83 central banks and supervisors worldwide focused on tackling the issue of climate change, calls out more frequent and severe extreme weather events as a key concern.

These have the potential for catastrophic consequences on people, houses, agriculture, and industrial complexes. This will result in those affected unable to pay down debts and insurers responding by increasing premiums and/or stopping insuring some risks, impacting the collateral value of properties and leaving banks exposed to credit risks.

Due to the interconnected nature of global finance, countries less affected directly may still be impacted as they suffer spillover effects from other territories.

Extreme weather could result in large areas of the world being uninhabitable and uninsurable. For example, in 2021, one third of the US was impacted by extreme weather events concurrently through drought, fires, flooding and hurricanes. The knock-on impacts will be famine, lack of access to water and an unprecedented refugee crisis.

All of this is bad news for global markets and is likely to lead to instability, impacting savings and investments and access to credit and insurance for the average person.

The NGFS notes that most of the modelling on risks focuses on potential impacts post-2050. But there is evidence that effects are manifesting much more quickly. The industry has to get a handle on models and risk now so that companies don't get caught out.

Financial instability caused by rapid decarbonisation

The urgency for change could result in policies that attempt to decarbonise the world suddenly.

Fossil fuel companies and carbon-intensive businesses are then very much at risk, which could lead to repricing of climate-related risks and stranded assets, which could have a knock-on impact on the balance sheets of financial institutions.

Again this will lead to market stress and instability.

Policy driving behaviour and banking products

Individually, many of us try to do what we can to help, but this is having little impact. Increasingly, governments will have to use policy to drive our behaviour, including how we spend our money.

For example, a house will have to have a particular energy rating to qualify for a mortgage in the UK. Citizens will have to spend on measures to improve ratings before they can access a loan.

Obviously, the government will have to play its part and find funding to help. But increasingly, banks will be co-opted to implement policy through their products and service offerings.

Changing consumer behaviours

As the world wakes up to the harsh realities of climate change, consumer behaviour will have to change, impacting the product mix of financial services.

Consumerism underpins existing economic practices, but climate change requires doing more with less (an already emergent consumer trend).

Think about BNPL, which has recently exploded onto the scene. It has resulted in larger basket sizes, i.e. people are buying more than they had intended to (not great for curbing consumerism).

According to AdAge, Afterpay found that retailers using the service had a 50 to 200% increase in units per transaction, and Klarna reports a 58% increase in average order size.

It does not take a massive leap of imagination to consider a scenario where BNPL is regulated out of existence as we move to a "do more with less" future. We may well see the rise of new players who encourage a different behaviour, such as save now and buy later (SNBL).

Carbon as a currency or even a coin

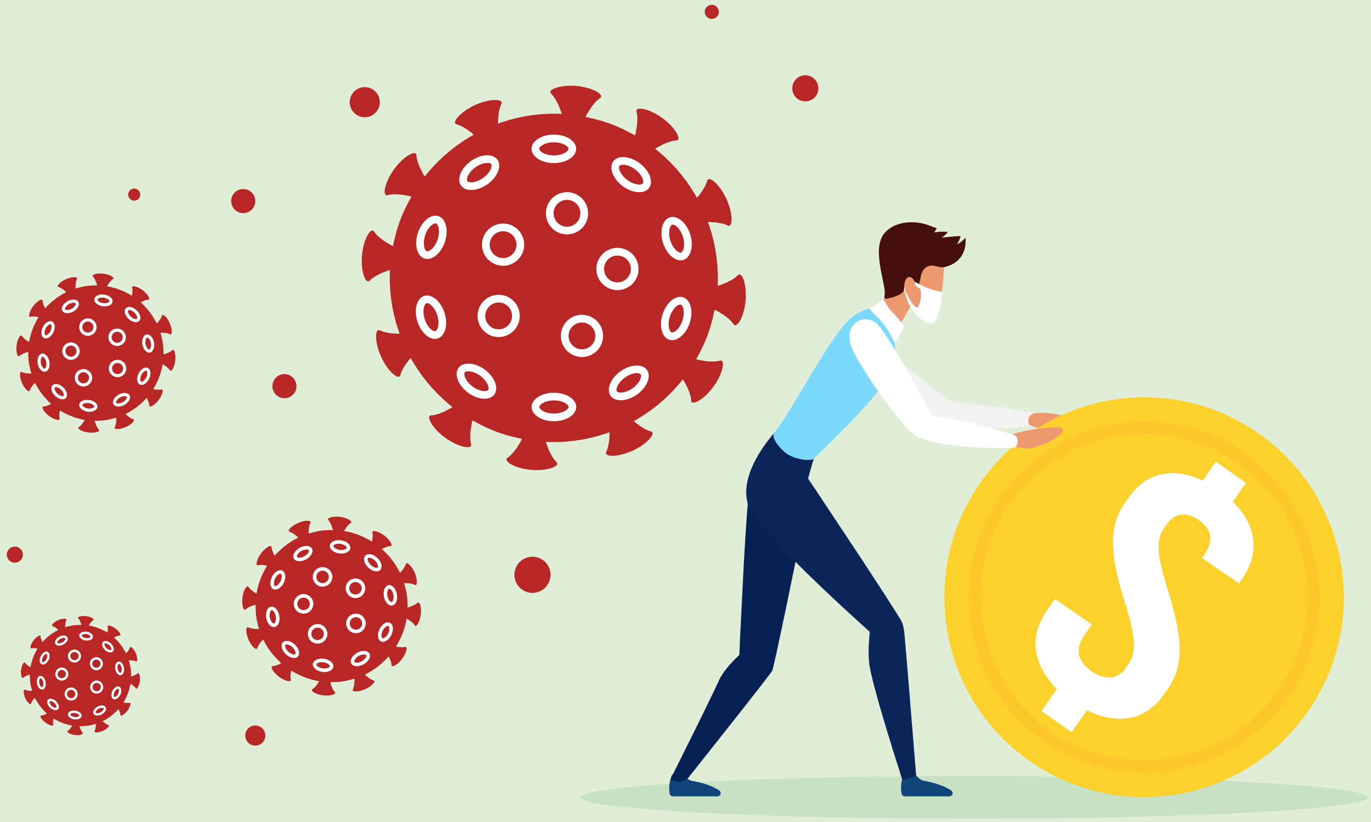
Carbon's profile is going to become more and more prominent in the financial services industry.

On the one side, you will have the industry aiming for net-zero. Institutions and industry connected organisations seeking to reduce their carbon footprints. Technology change will play a part, and it is likely to usher in new standards. Watch out for the rise and rise of carbon-based metrics on everything.

On the other side, carbon, already tradeable, is likely to become more of a consumer-focused asset. Imagine everyone on the planet is allocated a carbon budget every year. It may seem far-fetched, but to manage climate change, it could be essential.

The idea being there is a carbon value for everything we do or buy. A bank's digital platforms would be an obvious place for the management of this. It would open up opportunities for carbon commerce between individuals and businesses within countries and across borders, with carbon becoming a truly global currency. Conceptually it would be incredibly levelling across geographies, with the developed world having to rebalance and pay for its consumption.

So, the economics of climate change is coming, and its impact on the financial services industry will be profound.



Banking beyond Covid-19

By Dharmesh Mistry, CEO, AskHomey

Most countries across Europe are no longer under strict lockdown conditions, although the scientists tell us we are not quite out of the woods from the threat of Covid mutations.

The medical industry and healthcare professionals have seen us through the pandemic, and we know that without vaccines, the devastation of lives would have been far greater.

Government support for people and businesses through changes in regulations, quantitative easing and financial support has similarly saved many from financial desolation. Banks stepped in to help with payments and loans to businesses and mortgage holidays for homeowners.

In the midst of all of this, we have seen some of the worst climate changes ever, with bush fires, floods and storms. More recently, we're seeing an energy crisis with many gas suppliers unable to cope with increased prices and fuel costs rising due to the shortage of HGV drivers.

From a consumer perspective, costs are rising, inflation is rising and so is unemployment. Covid is still causing delays to treat those with medical and mental issues, and suicides are at an all-time high. I really feel uncomfortable painting such a bleak picture, but one thing that life has taught me is that you can find answers much faster when you acknowledge there are issues.

So, what can our industry – banks, fintechs and technology companies – do? Here is where I see a lot of hope, as during Covid the benefits of digitisation came to the fore. Many businesses were saved and many were created through the use of technology. By stripping out the need to pay in physical cash or be present at a physical location to work, many lives were made easier and better through digitisation.

As we were forced to interact through screens, most of us began to value and appreciate others more, rather than being caught up in work and the day-to-day bustle we previously engaged in.

The strongest companies now have "purposeful visions" to improve the planet or people's lives. Companies that have self-centred visions like being the biggest or the best in their space, or reaching a certain financial size, are frowned upon.

The most forward-thinking companies have invested in becoming more focused on ESG issues. Growth at any cost is no longer in vogue. Sustainable growth, socially responsible approaches and diverse/inclusive workforces are the new paradigm for success, as customers and investors look beyond the balance sheet.

A few banks have started to include "carbon statements" for their customers. A calculation of the carbon footprint for every transaction is provided, allowing customers to understand how their spend impacts the environment.

Others are working on AI to help those with mental illnesses to manage their money better and to protect them. One early example has been gambling blocks that a number of neo and high street banks have put in place. Some banks have made it easier for refugees to get access to bank accounts.

Following these threads, there are many more customer niches that banks/fintechs could help with.

We have seen technology companies promoting "tech for good". Now is the time for financial services to "bank for good". The industry should focus on niches that have not been given enough attention and find creative business solutions that leverage the burgeoning possibilities of technology.

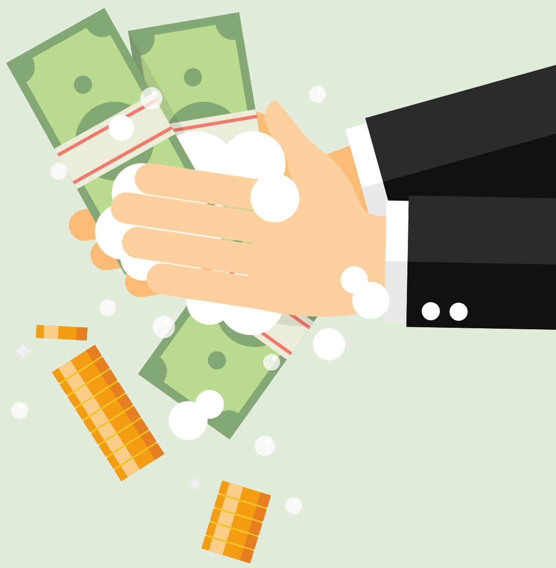
In the UK, it is great that Nationwide has set up (with 17 charities) Open Banking for Good (OB4G) for the 12.7m people in the UK that are "financially squeezed", but there is a "niche" of **£8.2bn** people who start every month knowing that their income doesn't meet all their basic needs, such as food and shelter.

Digital allows us to reach the smallest niches, and these are generally the areas that need the most help because the "numbers" don't justify focus on them.

Triodos has already stated its vision to "Bank for Good" and has backed up that statement with **£26bn** worth of loans given to companies that look to benefit people and the planet.

Lloyds Bank has recognised the scale of the mental illness problem and has provided some useful content and support for appropriate charities, but how do the products/services provided by banks cater for these people? This is certainly an area that demands more focus.

Some **300,000** annually in the UK is lost by businesses due to staff sick days. Maybe this is a niche that isn't so small? Maybe there is a solution that helps businesses to help their own staff as well as those outside of their organisations?



Covid has changed the world and its impact has not yet been fully realised. Now we have to pick up the pieces and deal with the aftermath.

In the financial industry, we hear regularly how much money is going into fintech investment and how much banks are investing in technology. I'm not saying that companies need to become charities. I'm just saying that there are purpose-led organisations and investors that are serving a broader need than to appease shareholders while still turning a profit.