banking technology

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BETTER TOGETHER
Building resilience against cyberattacks

TRANSACTION ALLEY
How Atlanta has become a hub for financial technology

FAIR GAME
The ethical bank serving immigrant communities

Produced by FINTECH FUTURES

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EDITOR'S NOTE

Tanya Andreasyan
Managing Director & Editor-in-Chief, ***FinTech Futures***

This month's edition of the *Banking Technology* magazine puts the perennial issue of cybersecurity and protection from online fraud in the spotlight.

According to the National Fraud Intelligence Bureau (NFIB) Fraud and Cyber Crime Dashboard, there have been more than 470,000 reports of fraud in the UK over the last 13 months, with collective losses of £2.5 billion. Industry body UK Finance is advocating for new legislation that will put the responsibility on the online platforms to remove fraudulent content.

As our reporter Ruby Hinchliffe writes in her monthly column on page 25, "there has been no end to the creativity – or shamelessness – of these ploys for our money". As one example, criminals have been posing as the UK's National Health Service (NHS), sending text messages to vulnerable residents claiming to offer them the chance to apply for a coronavirus jab.

Misha Dorman, principal consultant at Altus Digital, puts forward several actions for the financial industry to adopt so that it could better protect itself and its customers from fraudsters and criminals in the digital space. Among these are more joined-up efforts across the industry (rather than just within sub-sector groups) and support from the regulators. "Together, we can push each other further and improve the whole industry's resilience and defences," he writes (see page 10).

Dan Drechsel, general partner for Panoramic Ventures, flags the rise of tech firms in the US – and their funding – that protect from cybertheft and identity fraud by developing advanced solutions to validate a user's identity online. OneTrust and Trust Stamp are two such companies – both have recently raised capital for their privacy, security and authentication solutions (see page 13).

As always, there is lots more from the world of banking and tech on the pages of the magazine. And, as always, we hope you find this edition interesting, informative and useful!

NEWS ROUND-UP

11Onze launches Facebook-style social network

Catalonia-based 11Onze says it has become the first neobank in Europe to create a private social network for customers.

Features include access to 11Onze TV (a library of videos about finance, economy and well being) and a marketplace where customers can do business with each other.

La Placa ("market square") gives users the opportunity to learn about the bank agents' personalities, skills and aptitudes.

"We are a new category of social network with the latest advances of Facebook, Instagram, YouTube and LinkedIn wrapped up into a Netflix format," states James Sene, founder and chairman of 11Onze.

11Onze is set to become one of Catalonia's first non-Spanish-linked banks. With 148 founding members, it intends to be a representation of the region's 7.6 million population.

Mastercard splashes $850m on digital identity firm Ekata

Mastercard announced the acquisition of digital identity verification firm Ekata for $850 million (subject to regulatory review and customary closing conditions).

It will combine Ekata's platform with Mastercard's own fraud prevention and digital identity offerings, resulting in a "one-stop-shop" for banks, consumers, enterprises and governments.

This is Mastercard's first purchase this year. It follows a trio of buyouts in 2020: marketplace firm IfOnly, authentication company Cytegic and open banking specialist Finicity.

Santander migrates 60% of IT infrastructure to the cloud

Sixty per cent of Santander's overall IT infrastructure is now cloud-based. It expects to complete the move by 2023.

The bank works with AWS and Microsoft Azure and operates its own servers (it owns three data centres in Mexico, Spain and Brazil). The current split of private and public clouds is 75% to 25%, respectively.

"When you move that much infrastructure, it's all about rigour, process and being very clear on how you move it," says Dirk Marzluf, the bank's global chief operating and technology officer. "But so far, it has been quite smooth."

The bank has hired 3,000 engineers in just the last year. In total, it employs 16,500 software developers and engineers (8.6% of the overall workforce).

Marzluf thinks Santander is now "very well placed against large European banks" and trumps rivals BBVA and HSBC on cloud adoption. It is also "well positioned to compete" with fintechs.

Fi and Federal Bank launch neobank for India's millennials

Fi, a neobank designed to help salaried millennials improve their money management, has launched in partnership with Federal Bank. The Bengaluru-based company can issue an instant savings account, with a debit card, in under three minutes.

Fi was founded in 2019 by Sujith Narayanan and Sumit Gwalani, formerly of Google and pioneers of G Pay, and raised $13.5 million in its seed round led by Sequoia India and Ribbit Capital.

The neobank hopes to attract half a million users this year and expand its offering to insurance, lending and investments.

MVB Bank buys fintech Trabian

Virginia-based MVB Bank has acquired a majority stake in Indianapolis fintech Trabian Technology. Larry Mazza (*pictured*), MVB Bank's president and CEO, says the deal will "significantly" expand MVB's fintech vertical "by putting more 'Tech' in our 'Fin'".

Founded in 2003, Trabian services cover platform integrations with the likes of Stripe, Trulioo, Temenos and Plaid, and also provides digital banking customisations, money movement, website building and the user experience around account opening.

Trabian's customers span community banks, credit unions, digital banks and fintechs. Credit Union 1, autobooks, payrailz, TwinStar Credit Union and Proponent are among them.

SAP spins out financial services ops in deal with Dediq

SAP is spinning out its financial services division, handing control over to new partner Dediq. Pending regulatory approval, the deal will see the formation of a new entity, the Financial Services Industry (FSI) Unit. SAP will hold a 20% stake in the new venture, but it will have full autonomy when it comes to strategic direction. Both SAP and Dediq will provide the FSI Unit with funding, technology and connections to partnership networks. Dediq is investing €500 million into the venture.

The new FSI Unit will focus its investment on core areas such as commercial lending, retail banking and core insurance as well as insurance finance and bank management. The new solutions will be built as part of SAP's industry cloud solutions, based on SAP technologies and applications such as SAP HANA, SAP S/4HANA, SAP Business Technology Platform and others.

PayPal to avoid Chinese competition with own cross-border wallet

US payments giant PayPal plans to launch a local wallet in China enabling cross-border payments, according to CNBC. Hannah Qiu, CEO in China for PayPal, says the firm is avoiding competition from local players Alipay and WeChat Pay by looking abroad – aiming to build a bridge for its existing customers (377 million individuals and 20 million businesses) to connect with Chinese companies.

China's online payments market facilitates more than $41 trillion in payments annually, according to Brookings data. Alipay and WeChat Pay dominate their home market, boasting 1.9 billion users between them.

VTB Bank values ongoing digital transformation rewards at $1.5bn

VTB Bank, one of Russia's largest financial institutions, expects to save $1.5 billion over four years thanks to its digital transformation efforts. The ongoing programme involves the deployment of eight new platforms and services at the bank. These include changes to omnichannel provision; a new retail and corporate credit pipeline service; new data analytics, automation and cloud platforms; and a new open API interface.

Vadim Kulik, deputy president and board chairman, says VTB has completed more than half of its planned volume of technological transformation work. Fourteen separate programmes have already been launched, reducing time to market eightfold, he adds.

Hana Financial Group completes cloud migration with Oracle

South Korea-based Hana Financial Group (HFG) has completed the migration of its "mission-critical application" – Hana Members – to the public cloud with Oracle. Hana Members is a digital lifestyle platform with more than 15 million members. It allows customers to earn points by using their Hana credit card and other bank services.

The migration is part of an ongoing digital transformation at HFG. "Such a large-scale cloud transformation project is unprecedented in the finance industry, not to mention within HFG," the banks states.

FINTECH FEED

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Virginie O'Shea
@virginieoshea
When did "digital" become synonymous with "no vowels"?

> **StandardLifeAberdeen** @SLA_plc · Apr 26
> Today we've announced our change of name to Abrdn, part of a modern, digitally-enabled brand we'll use across our businesses globally. Capital at risk. bit.ly/2QoUE5S
>
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Your press photos are in:
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2) A 300mb Zip file, which I have to download. Every. Time. 👎
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Aditi Shekar
@aditishekar
Wow @BankofAmerica just charged me $15 to RECEIVE a wire. The revolution is coming and crap like this won't be tolerated.

Shaul David
@ShaulDavidUK
😱😱 Quick everyone, go back to the office. Keep them out of the burbs

> Pret a Manger Looks to the Suburbs Instead of Skyscrapers
> bloomberg.com

THE NUMBER GAMES

$99.6 billion
Coinbase's valuation when it debuted on Nasdaq in April. Shares opened at $381 (a 52.4% increase on the $250 reference price), but closed below $330

10 years
was the lifespan of Barclays' payments app Pingit, with the shut-down confirmed for 30 June

$18.5m
raised by Cairo-based Paymob in Series A – one of the largest ever fintech Series A funding rounds in Egyptian history

$134m
raised by Harlem Capital for its second fund, which focuses on minority and women founders

£500m
of own wealth and investments pledged by WorldRemit's founder, chairman and former CEO, Ismail Ahmed, to a new foundation fund to drive entrepreneurial development in Somaliland

$110m
of savings expected to be accrued by Russia's banking giant VTB over four years, thanks to its digital transformation projects

$425m
raised by San Francisco-based fintech Plaid in Series D round, with three new investors – Altimeter Capital, Silver Lake, and Ribbit Capital – taking part

To read more about any of these stories, visit *www.fintechfutures.com/type/news*

THEY SAID IT…

"You don't go into the cloud naively. Cloud is not magic. Before anything was migrated into Azure or Amazon, we engineered a secure umbrella."

Dirk Marzluf, global chief operating and technology officer, Santander

TRENDING

The UK fintech bounce-back

The UK fintech industry is making a robust recovery from the pandemic, attracting $2.9 billion in the first quarter of 2021, according to Innovate Finance. Investment in the sector is up by 331% compared with the same period last year. In addition, 2021 has already seen six mega deals worth $100 million-plus – there were seven struck last year – and 69% of the total amount invested in 2020.

The record $2.9 billion was invested across 117 deals, with "mega" amounts going to **Checkout.com** ($450 million), **Starling Bank** ($376 million), **Blockchain** ($120 million initially, then $300 million), **Rapyd** ($300 million) and **PPRO Financial** ($180 million initially, then $90 million).

An increasing number of UK fintechs announcing Initial Public Offerings (IPOs) and plans to list on public markets has also bolstered the sector.

Italy's first open banking tie-up

Italian fintech Workinvoice has teamed up with Banca Sella to offer the bank's customers seamless digital solutions to finance their working capital.

"Embedded finance has just recently entered Italy thanks to PSD2, the Italian law on mandatory electronic invoicing and by open banking," says Matteo Tarroni, CEO and co-founder of Workinvoice.

Factoring-as-a-Service will be among the first available features, enabling businesses to unlock liquid assets from their collection and payment cycle. Medium-sized companies – those turning over between €50 million and €300 million annually – will be given access to the digital reverse factoring services. The partners state that this service will "provide greater transparency and flexibility for supply chain financing".

Workinvoice's system is based entirely on APIs and enables a constant dialogue with Banca Sella's API platform.

Saudi Arabia's instant payments

Saudi Payments, under the supervision of the Saudi Central Bank (SAMA), has launched the kingdom's new instant payments system, sarie.

Built on the ISO 20022 standard, sarie automatically supports all Saudi banks across the kingdom. It allows bank customers to send and receive money in real-time using a wide range of services and transfer options.

Customers of local banks can make instant transactions of up to SAR 20,000 ($5,300) through the system. SAR 2,500 can also be sent using mobile numbers, emails or ID numbers.

IBM Global Business Services (GBS), the services and consultancy arm of IBM, led the project as a system integrator. It designed and architected the solution, and integrated real-time payments technology provided by Mastercard.

Sarie ties into Saudi Arabia's Saudi Vision 2030, which aims to reduce the region's dependence on oil, diversify its economy and develop public service sectors.

Climate change action in NZ

New Zealand will become the first country in the world to legally require its banks, insurers and asset managers to report on the climate risk of their investments.

Minister for Climate Change, James Shaw, said New Zealand "simply cannot get to net-zero carbon emissions by 2050 unless the financial sector knows what impact their investments are having on the climate".

If passed, the new climate risk reporting legislation will make the reports by banks and other financial firms mandatory by 2023.

The bill will cover all banks and insurers with total assets topping NZD 1 billion ($703 million), as well as all equity and debt issuers listed on the country's stock exchange. Such scope covers some 200 of New Zealand's largest companies.

Cloud catch up – regulatory reaction to COVID-19

By Alex Hamilton, deputy editor, FinTech Futures

While the industry has experienced an oft-touted acceleration towards digital services since the start of the COVID-19 pandemic, what are regulators doing to keep track?

FinTech Futures spoke to Rajashekara V. Maiya, vice president and global head of business consulting at Infosys Finacle, about the impact the last year has had on the way regulators approach innovation.


Rajashekara V. Maiya, Infosys Finacle

Have the past 12 months changed the way regulators approach financial institutions (FIs)?

Protection of customer interest and safeguarding trust in the financial system has continued to be paramount for regulators. Yet, in the past 12 months, they have increased their supervision on digital transactions, cybersecurity and safeguarding digital assets against any fraudulent transactions. This includes creating awareness around digital transactions, securing data and confidentiality.

With this increased scrutiny, how can banks and FIs meet new digital challenges in a compliant manner?

Banks and FIs in the last 12 months have spent significant amounts of effort and money on securing IT infrastructure, customer data and providing a secure and safe way to transact digitally.

Banks and FIs have also started their journey towards cloud in a comprehensive way, such that they concentrate on their core business of banking.

Similarly, banks and FIs have also built or enhanced their solutions to take care of business financing, and relief cheque disbursement as expected by the regulators to support the economy.

How can a chief technology officer (CTO) build compliance into the deployment of new systems and services?

While fundamentally nothing significant has changed from a compliance angle in deployment of new systems, additional measures and steps need to be taken to protect the IT infrastructure, build robust cyber security framework and provide a secure way of login for end customers and users of the bank.

Compliance worries once stopped banks from innovating. Five years ago, concerns about the cloud stopped many from taking the plunge. Have these issues been ironed out?

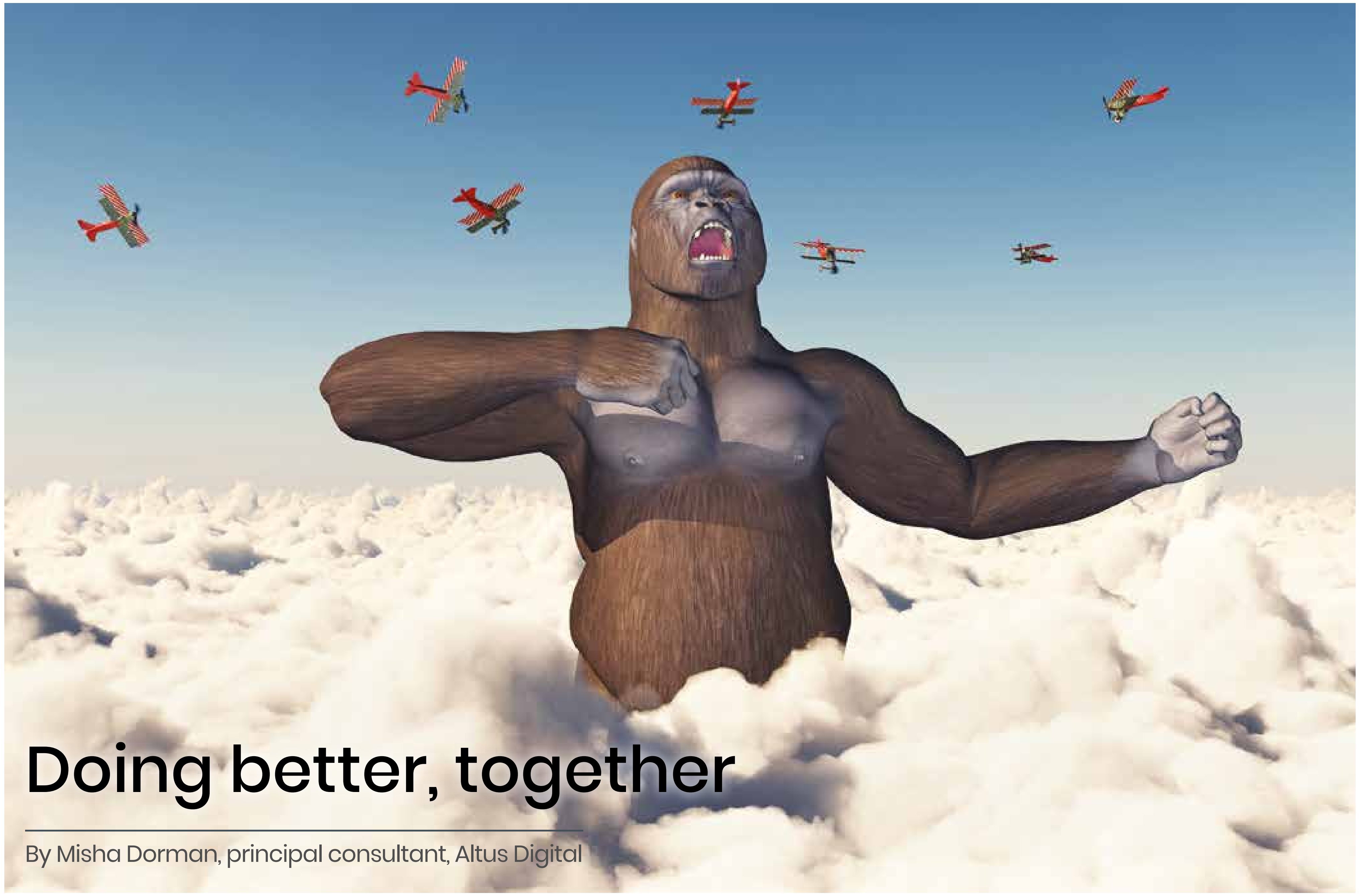
Absolutely. What were options before the COVID-19 pandemic have become compulsions now. Cloud is one such area in which banks have advanced their plans of moving to cloud at scale owing to recent events.

This is going to not only reduce the burden on banks to keep up with the latest security expectations but also reduce their total cost of ownership in the long run. Similarly, banks have also been forced to move towards digital at scale under much reduced time frame.

With a scramble to the cloud ongoing, what are regulators doing to help the transition?

Globally, many regulators are favouring cloud-based computing for banks. In Hong Kong, Singapore and India, jurisdictional regulators have formed guidelines on how to move towards cloud. The COVID-19 pandemic has only brought forward the cloud journey for banks.

COVER STORY: CYBERSECURITY



Doing better, together

By Misha Dorman, principal consultant, Altus Digital

Cyberattacks have been increasing globally, and financial services is no exception. From distributed denial-of-service (DDoS) attacks and domain cloning to spear-phishing and credential stuffing; from script-kiddies to advanced persistent threat (APT) actors – we are all seeing higher volumes and more sophisticated attacks.

AIM HIGHER

It is tempting for firms to set their cybersecurity sights too low – either waiting for regulation (such as PSD2) before implementing improvements, or basing investment decisions on what others in the industry are doing – perhaps using "I only need to run faster than you, not faster than the gorilla" thinking. This reactive approach leaves firms vulnerable to fast-moving attackers who will pivot to exploit weaknesses wherever there is profit to be found for them there.

Cyberattackers demonstrated their agility last year as they took advantage of uncertainty during the pandemic to increase phishing attacks and advance fee scams – including targeting of job seekers in the financial services sector.

PROMOTE SECURITY-BY-DEFAULT

Financial services firms look after trillions of pounds of customers' money, and the sector should be leading the charge on information security. It is surprising to many customers to find that their email accounts have better, stronger security controls than their investment accounts – which all too often still do not support multi-factor authentication (MFA) or rely on weak PIN code authentications which discourage use of password management software.

A joined-up effort across the sector to push for MFA-everywhere and to support biometric authentication available on all modern mobile devices would help give customers confidence that their savings are well protected. We don't all have to use the same technology, but we should all meet at least the minimum standards from bodies such as NIST in the US and NCSC in the UK – not just for new solutions but for legacy systems and existing customers, too.

DON'T LET FEAR HOLD YOU BACK

Some organisations may be wary of digitising their businesses due to the fear of cyberattacks – perhaps hoping that manual checks will act as a back-stop against fraud and attackers. But manual processes cannot keep pace with the rate of cyberattacks – and are themselves vulnerable to social engineering and to human error. Businesses should continue to invest in automation and digitisation. Automated business-to-business (B2B) processes such as account transfers, share class conversions and open banking are more secure, with less chance of mis-keying and errors.

Automation and artificial intelligence (AI) technologies will be needed to support fraud detection processes – extending know your customer (KYC) from a one-off check at onboarding to an ongoing process to learn from and recognise customers' behaviour. Getting the AI right requires lots of data – something that is much easier to achieve when we pool our knowledge and data, allowing smaller firms, mutuals and friendlies to benefit from data from across the whole industry. This will likely require some innovative business models as well as innovative technology!

BE A GOOD CYBERCITIZEN

Attackers tend to exploit the darker, unloved areas – legacy systems, which still support older, less secure standards or which haven't been patched; niche web portals, which don't implement modern security practices such as attack rate-limiting or intrusion detection and alerting; and test environments containing cleartext customer data, which are made available to delivery partners. Shine a light on those areas and make sure they are brought up to standard, before attackers find and exploit them.

Be a good citizen in response to incidents too. We need to be open with customers (and with ourselves) when a breach or security incident occurs, explaining clearly what the risk to them is, and what we are doing to mitigate that risk to prevent it happening again. That openness will also mean we can all learn from each other to improve further.

Firms already work together to identify and close down phishing sites and domain cloning, but this tends to be within sub-sector groups such as banking and investments – not across the whole industry. Support from the regulators may be required to ensure that concerns about data protection do not block investigations or delay shut-down of these sites and to close down accounts which are used by cybercriminals.

Together, we can push each other and improve the whole industry's resilience and defences against cyberattacks.

Misha Dorman is principal consultant at Altus Digital. He has spent more than 20 years turning financial services strategy into reliable, operational software solutions designing everything from sub-system components to entire IT landscapes.

He has worked with numerous technologies including pensions admin, agency management, fund trading, platforms, ecommerce and workflow. In the process, Misha has become an expert not just in designing solutions but also getting them implemented across a wide range of organisations from specialist software suppliers to global insurers.

He has been responsible for development of the Altus PEAK framework and many of the technical services that build on it.

The wheel is spinning in Transaction Alley

By Dan Drechsel, general partner, Panoramic Ventures

70% of all debit, credit, and prepaid card transactions in the US are processed in Atlanta, Georgia

Global digital payments are expected to reach a remarkable $8,059.3 billion by 2023. What may also be surprising is that about 70% of all debit, credit and prepaid card transactions in the US are processed in Atlanta, giving it the nickname "Transaction Alley". This leadership in payments, as well as the presence of leading firms in online banking, treasury services and lending innovations, have led to the city's development as a hub for financial technology.

Such prominence didn't happen overnight. Columbus Bank and Trust, predecessor to today's Synovus Bank, employed one of the first mainframe computers to process credit card accounts in the 1960s, resulting in the eventual spin-out of credit card processor **TSYS**.

Key legislation in 1987 removed usury laws in Georgia for credit cards, making it a safe place to host such operations for many customers. Also during the 1980s, better branch-banking laws caused many bank headquarters to migrate to North Carolina, leaving Atlanta with a surplus of knowledgeable banking executives. These executives paired up with the tech community to build such leading financial technology companies as **CheckFree**, **Digital Insight** and **S1** that led the way in consumer adoption of internet banking.

According to the Technology Association of Georgia's 2020 FinTech Ecosystem Brief, there are currently 170 fintech organisations located in the state. Fintech employs more than 38,000 Georgians, with the revenue of the top 15 Georgia-based public fintech companies exceeding $114 billion. Some of the leading fintech businesses based in metro Atlanta include **Global Payments**, **NCR**, **Equifax**, **Fiserv**, **InComm Payments** and many others.

Fintech companies continue to find Atlanta to be an especially desirable place to set up shop, largely due to its considerable IT talent pool fed by Georgia Tech and other top research universities, its business-friendly taxation and the presence of Hartsfield-Jackson Atlanta International Airport. Importantly, there is also a considerably lower cost of living compared with traditional innovation hubs such as Silicon Valley and New York.

One thing is certain – fintech continues to grow. With the onset of the global pandemic in early 2020, demand for digital, contactless forms of payment has accelerated, speeding the adoption of new and more innovative technologies. Following are four trends that I believe will be prominent in fintech in 2021, in Georgia and elsewhere.

1. CHANGES IN TRUST MODELS, PARTICULARLY THE ESTABLISHMENT OF GREATER SECURITY AROUND DIGITAL TRANSACTIONS

As more transactions go digital, cybertheft and identity fraud are becoming increasingly sophisticated as well. As a result, traditional logons and passwords – even when protected with two-factor authentication – are becoming insufficient. Technologies that work to further validate a user's identity, especially in a frictionless manner, will continue to grow in demand.

OneTrust and **Trust Stamp** are two Atlanta area companies that recently achieved capital raises for their respective privacy, security and authentication solutions.

2. EXTENDING FINANCIAL SERVICES TO THE UNDERSERVED

Many consumers do not have access to traditional financial products for a number of reasons, from low or irregular incomes to poor or no credit histories.

Metro Atlanta-based **Instant Financial** is an earned wage access platform that

> "Fintech employs more than 38,000 Georgians, with the revenue of the top 15 Georgia-based public fintech companies exceeding $114 billion."
>
> Dan Drechsel, Panoramic Ventures

gives employees instant access to their pay after each shift, while **VIVA Finance**, also in Atlanta, offers affordable loans based primarily on employment information rather than credit history.

3. INTEGRATION OF PAYMENT SOLUTIONS INTO VERTICAL INDUSTRIES

Fintech companies are creating payment solutions to fit the workflows and needs of specific verticals, such as education or healthcare. Instead of using horizontal payment modes such as Stripe or Square, such industries now have solutions designed specifically for them.

One such example is metro Atlanta-based **GoFan**, which is a digital ticketing platform specifically designed for use with high school events.

4. CONTINUING GROWTH OF CRYPTOCURRENCIES

A cryptocurrency is a digital or virtual currency secured by cryptography, which makes it nearly impossible to counterfeit. Unlike traditional money transfers, there is no bank-settlement process but instead the transfer occurs in real time.

Metro Atlanta-based **Ternio** is one company giving blockchain and cryptocurrency real-world banking applications. As our society becomes more digital, such tokenisation of capital and other assets will continue to rise.

Fintech solutions already have and will continue to meaningfully alter how commerce is conducted, encompassing both small-value and high-value transactions. With each innovation that occurs, we move a step closer to a cashless, real-time financial world.

There is little doubt that Atlanta as well as Georgia will increasingly be recognised as a key centre for fintech innovation, and a great place to start and grow a business.

Dan Drechsel is a general partner for Panoramic Ventures. Prior to joining in 2018, he was involved in growing and operating a series of public, private equity and venture funded innovation companies.

He has held numerous executive level, sales, marketing and engineering positions at enterprise software, fintech and tech enabled services enterprises, including SAP, ADP and Dun & Bradstreet, both in the US and internationally.

His largest exit came when, after leading hands-on operations as COO, he was instrumental in helping pivot Security First Network Bank, an online bank, into a Software-as-a-Service (SaaS) online banking business. S1 reached $225 million in revenue and a market capitalisation of nearly $9 billion. Dan also successfully exited Global Energy Decisions to Vista Equity.

Dan has an MBA from Mercer University and a BS in Industrial Management from the Georgia Institute of Technology.

Dan has served on non-profit boards at Mercer University and the Technology Association of Georgia Education Cooperative. In his spare time, he enjoys sailing.

Disclaimer: GoFan is a product of Huddle Tickets, which is part of the firm's investment portfolio.

The meeting about the meeting

By Leda Glyptis

I like humans, I really do. And I love talking to humans. I even like doing so in meetings, if we are talking shop. I really don't mind most meetings, honest to god.

I have regular one-to-ones with my boss and my team, with my peers, and my clients, and they are invaluable. Mid-pandemic, I also have meetings that aren't meetings at all but a chance to have a coffee with a colleague and just chat.

I have team meetings, and project meetings, and steering meetings, and sales meetings, and performance review meetings and the rest. And I hold them, chair them, attend them, instigate them… you name it.

We need them so we have them. Collaboration, alignment, conversation. It's how we do business in our industry.

You know what else I do to meetings, though?

I cancel them.

Work with me here.

WHAT GOT YOU HERE WON'T GET YOU THERE

If you have ever worked for me, you will know that one of my favourite things to do is regularly assess whether we can cancel standing meetings. I usually do it with ridiculous emoji voting on slack – the ridiculous emoji use is intentional. It needs to be ok to say, kill this f**ker, it's not working and it's easier to do it using a zombie emoji than it is to tell your boss that a meeting they chair is a waste of time. But it may be and we can't not talk about it.

Do we need the meeting at all? Do we need more or less time, different frequency, different focus? We have rarely totally killed meetings (although we have also done that) but we have never failed to make some changes and adjustments. Meetings need to have a purpose and value and to ensure they do, you need to keep asking the question. Is this still working for us?

Time is the one thing we will never get back. Is this a good use of a resource we will never have more of, as individuals, as a team, as a company?

If not, then change it. As radically as you need to, in order to make it work, and cancelling is always an option.

"NO" IS A VALID ANSWER

The belief that the only reason to not attend a meeting is because you are in a different meeting is up there with Flat Earthism in terms of its logical merit, and yet it's the default position of most corporates and most gatekeepers.

Why am I going to this meeting? Because you were free at that time and they asked.

Oh, ok then. Only, that's not an answer.

Is this meeting needed? Does it have an agenda? A purpose? An ask?

If you don't know, I am not coming.

Am I needed?

If you are not sure, I am not coming.

Is it good use of my time?

Could it be an email? *Should* it be an email?

You know what to do.

And that's not to postpone it. It's to cancel it.

And do the work. So you know what the ask is. And you know what you need from me, so you know if you need me in the first place.

Until then, free or not, my answer to your meeting is no. Not because of how busy I am. But because it's the right thing to do. For both of us.

I get to preserve my sanity and you get to go and do the work that is yours to do. And then we can have all the meetings your heart desires, and you can give me homework, you can have an ask. You can have ten. I will do the work. Trust me on that.

AN EYE FOR AN EYE AND A PLAN FOR A PLAN

I hate the phrase "we need a plan for a plan". It kicks the can down the road, it denotes lack of urgency, it sets every alarm bell in my head pealing like mad. We don't need a plan for a plan, we need the work done and, to ensure we do that well with nothing missed, we need a plan and you need to go do it.

> "Time is the one thing we will never get back. Is this a good use of a resource we will never have more of, as individuals, as a team, as a company?"
>
> Leda Glyptis

Not the plan for a plan. Not even the plan. The work.

And you can have all the meetings and planning sessions and update sessions and plans for a plan you want to get you there, but it doesn't change the fact that you need to do the work. It just adds to the pile of things between you and the work being done. And it creates noise.

If that's your hobby, who am I to argue, but I shall pass.

Because frankly, it feels like you are punishing me for something, when I ask you what the purpose of a meeting is, what the update of an action is, where the work that needs reviewing is and you ask for a meeting to discuss the meeting I am trying to get out of.

You and I both know what is happening there. You haven't done the work and you are penalising me for not playing the meeting game. For asking for an agenda, for pushing back on the pretence of activity, for challenging your cavalier attitude towards both my time and our deliverables as a team.

I don't know how else to say this to you: go do the work.

And if the meeting is part of doing the work, approving the work, improving the work and moving the work along, then have the meeting. I will be the first there. I will stay the course. I will come to the follow-up session at 9pm because that was the only time that worked for everyone and we need to get this done.

I will be there.

If the meeting is part of venting, team building, learning, understanding or connecting, then have the meeting. I will be there. I will bring snacks.

If the meeting is a chat because you want to just be in the same room for a bit, have the meeting. I am coming to that too.

If the meeting is just an excuse for a rant and a giggle then definitely have the meeting. It builds trust and camaraderie and trench buddies are the best buddies at work.

Have the meeting. Spend the time together.

Spend it. But don't waste it.

If you are having the meeting because you can't think of what else to do, ask for help. Make the meeting about the fact that you are stuck. That is not an easy meeting, but it's a good meeting. An important meeting. I will come to that meeting.

But the meeting about the meeting? The meeting instead of the update? The meeting about the plan for a plan?

That meeting is not happening, matey. Go do the work. Then we talk.

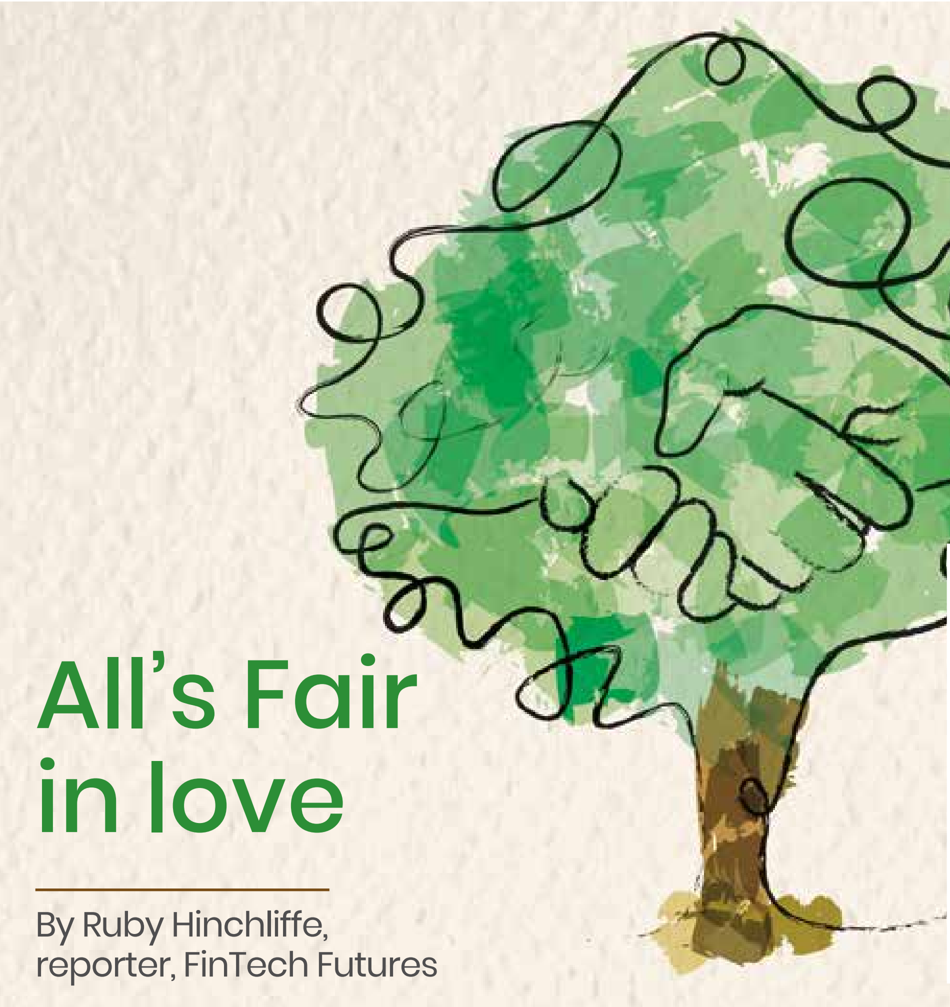
#LedaWrites

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.

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

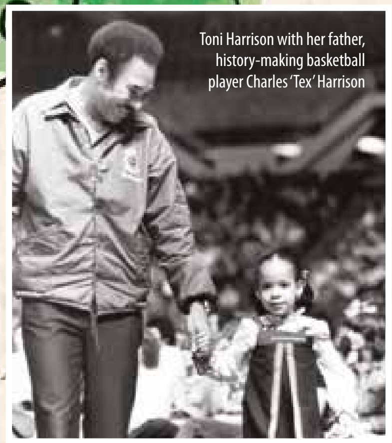
Follow Leda on Twitter (@LedaGlyptis) and LinkedIn (Leda Glyptis PhD). Visit our website for more of her articles.

INTERVIEW



All's Fair in love

By Ruby Hinchliffe, reporter, FinTech Futures



Toni Harrison with her father, history-making basketball player Charles 'Tex' Harrison

Fair, an "ethical" banking alternative gearing up to serve immigrant and underbanked communities, recently appointed a new chief marketing officer in Toni Harrison.

A reporter in her early career, Harrison went on to head up Chicago-based PR firm Ten35, where she helped to lead initiatives for PepsiCo's $400 million commitment to uplift Black communities.

Now Harrison, the granddaughter of Texas civil rights activist Lullelia Walker Harrison, is embarking on a start-up journey to close the racial wealth gap.

Fair says it refuses to recycle the dollars which have long been used to marginalise and impoverish the communities it is seeking to serve.

AVOID YOUR OPPRESSORS' DEEP POCKETS

Atlanta-based challenger Greenwood, which focuses on Black and Latinx communities, landed $40 million from major US banks including JP Morgan Chase, Citi and Bank of America last month.

"It's like looking your oppressor in the face and asking them to be your saviour," Harrison tells *FinTech Futures*.

A report by the Committee for Better Banks published last month found "racial bias [still] runs deep" through America's largest banks.

"It just seems like a bit of a conflict in the value proposition, recycling dollars [and] keeping them in our communities," says Harrison. "These are the very institutions that have made that hard."

She adds that the fact these high street banks pay billions in fines but can only fork out £40 million across all of them for this demographic speaks for itself.

Fair's banking partner is Coastal Community Bank. Founded in 1997, it has a history of putting its community first. The bank forgave the loans it gave to victims of the 2014 Snohomish County mudslide.

"We did it to pick a fight with the big guys," the bank's CEO, Eric Sprink, told HeraldNet a year later.

According to Seattle Times, larger banks didn't immediately offer blanket reprieve. This left many homeowners – almost all of whom came from low-income families – with the prospect of paying for a mortgage on a house that no longer existed.

A RISING RACIAL DEBT

Instead of shrinking, the racial wealth gap has only continued to increase in the US.

According to McKinsey, it has risen from about $100,000 in 1992 to $154,000 in 2016. The debt owed to Black communities by the banking industry is simply rising.

And as of January 2021, Black and Hispanic Americans still pay twice as much in bank fees as white customers do, according to Bankrate.

Harrison is also the daughter of Charles 'Tex' Harrison, the first US basketball player to come from a historically Black college and university (HBCU).

"Conversations about generational wealth, and the difference between earning a salary and investing were dinner time conversations for me," explains Harrison.

Fair's new CMO says the privileges she enjoyed growing up have empowered her to "want more people to have those".

> "Conversations about generational wealth, and the difference between earning a salary and investing were dinner time conversations for me."
>
> **Toni Harrison, Fair**

NEW FINANCIAL OPPORTUNITIES

Focused on immigrant communities, Fair will offer customers products in multiple languages to bring down long upheld financial barriers. It is set to launch this spring. By June, the start-up will have launched an equity-based lending service, alongside a 2% dividend of savings.

"Such opportunities to these sorts of consumers are really significant," says Harrison, who likens Fair to a Costco membership. Fair will charge a one-time membership fee of $99, either paid in full or monthly for $9.99.

This provides "unlimited" access to Fair's interest-free lending, investments and insurance products.

The bank intends to donate 2.5% to refugee causes globally. Fair currently has partnerships with World Relief and United Nations High Commissioner for Refugees.

"We have started programme development with both to create financial literacy content and educational materials for the refugees they currently serve," says Harrison.

WHAT'S NEXT FOR FAIR?

To date, Fair has raised some $20 million in investment commitments to bring its initial offering to market.

Prior to the raise, Fair's founder and CEO, Khalid Parekh, invested his own funds to build the platform. He then tapped his business and community networks for the $20 million. Before Fair, Parekh built Houston-based AMSYS group – a collection of small companies. They cover gallery signage, IT services, healthcare, capital investment, blockchain and construction. AMSYS employs about 350 people.

While identities of individual investors have not been disclosed, Harrison tells *FinTech Futures* they "largely represent the immigrant and minority communities Fair aims to serve".

"We do have ambitions to look at a Spac [special purpose acquisition company] down the road," Harrison says.

Fair is conducting a soft launch to iron out the teething issues and digitisation bugbears, but plans a full go-live in May.

FAIR GAME

Fair, a digital challenger based out of Texas, is set to launch with a full armoury of banking services.

The start-up opened its waiting list earlier this year, and had 50,000 customers in the wings by February. As for a valuation, the start-up says Fair's value sits at $200 million.

Fair's products will include a 2% annual dividend for savings, international transfers, interest-free microloans, equity-based lending, investing, retirement packages and debit cards for kids.

Washington-based Coastal Community Bank will serve as Fair's FDIC-insured bank partner. This means Fair can insure deposits up to $250,000.

Investment and retirement services will operate through its Fair Invest product, while lending services will operate through a separate Fair Lending offering.

Khalid Parekh

For its kid-friendly banking feature, only children over 13 can be authorised by the parent's account. When it comes to the firm's annual 2% dividend, users will have to maintain a minimum average monthly balance of $500 to qualify for it.

"There is definitely a need for a pro-consumer, ethical financial company," says Khalid Parekh, Fair's CEO. "We want to create financial independence and teach our customers financial literacy – in their own language."

As founder, Parekh takes no salary from Fair – he sees it as a mission, Fair states on its website. The vision is to be a financial platform for all people, from all races, religions, and backgrounds. "It all starts with a passion, with a cause," Parekh says.

When thinking of the myriad challenges banks face in their day-to-day operation, few might pinpoint the management, collation and analysis of content as a major struggle. Yet dealing with it has been an onerous task for financial institutions for decades.

The repository for the millions of documents banks deal with has changed from a dusty records room in the basement of a skyscraper to a humming datacentre (most likely still in the basement).

Digital transformation as a holistic approach to business has remained at the top of every CEO's wish list.

Operating expenses for processing divisions can be reduced by as much as 25% by adopting digital approaches.

Yet C-level executives seeking to digitise their bank from top to bottom are at risk of missing the consequences of a gung-ho approach to transformation: the management of a cascade of new digital content, which risks banks becoming bogged down in a sea of unstructured data.

Documents in an electronic format can form a key part of a slew of business processes. These range from customer service, sales and operations to payroll, legal and marketing. All these departments and functions can end up sat within their own siloes across the business.

Across financial services, there are on average nine information silos per organisation. In many cases firms are using different software suites for the same task in different divisions. On top of that, 58% store unstructured data within the proprietary software, rather than in a central database or management system.

This leads to a disconnection between processes, a build-up of slow back-office functions that can lead to delays, mismanaged documents and issues bounced around an organisation.

Financial institutions must seek ways to better streamline the way they process incoming data, and how existing content processes can be improved, ready for the adoption of deeper analytical technology.

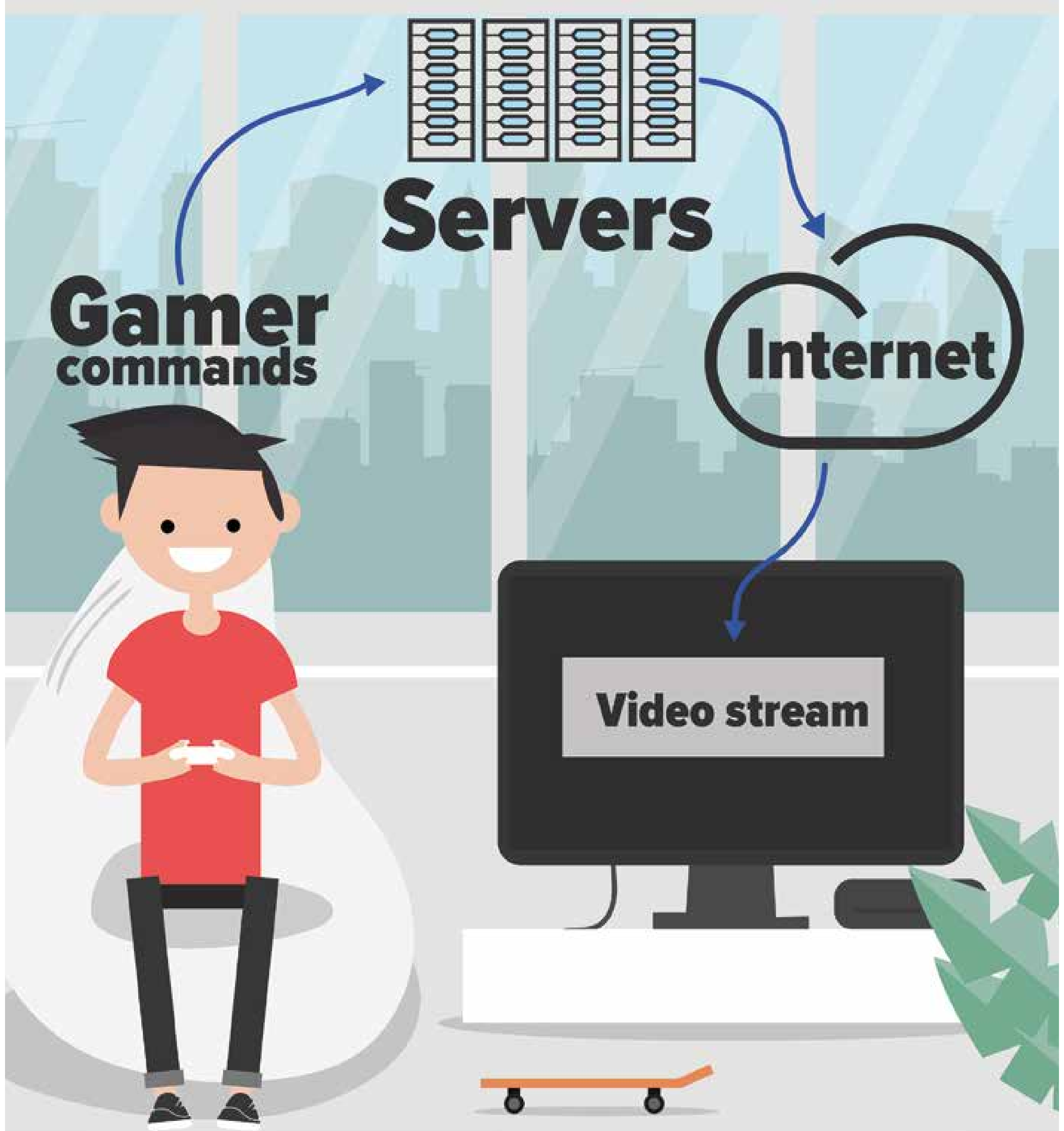
An organisation can lay the groundwork for real progress through the digital conversion and preparation of its content, retrofitted to interact with technology that is set to change the way the industry operates: artificial intelligence (AI) and machine learning (ML).

FinTech Futures has produced its latest deep-dive report into the sector. In collaboration with Nuxeo, we explore the data challenges banks and financial institutions are facing on a day-to-day basis, and how they can revamp underlying technology to better prepare for the ways AI and ML can revolutionise their data and content practices.

Download the report today from the *FinTech Futures* website!

Meet Leo: Gen Alpha

By Dharmesh Mistry, CEO, Askhomey



Leo Westcott is a 14-year-old English schoolboy, part of Generation Z (born 1997 to 2012). Some of this generation have already entered the workforce while Leo has some years to go. Arguably, Leo is closer to Gen Alpha; either way his behaviour with banking and technology is quite different to the average customer today.

Leo does not carry cash and is used to digital payments. He has a bank account but prefers to use PayPal for online purchases and Apple Pay for offline purchases. At school he pays for lunch using his thumbprint that is linked to an account his parents settle online.

Leo is a trainee black belt in karate, plays rugby and loves gaming. Nothing exceptional, right? Well, there is more to tell you about Leo, because Leo is ahead of many banks when it comes to cloud technology!

BUILDING A BUSINESS

Leo has been a Minecraft player for more than six years. The game is an online subscription multiplayer platform. However, Leo struggled to meet his friends and play with them there. So, he googled "how to play friends on Minecraft". He found an article that said he either had to download and set up a server on his own machine, or get his own server hosted elsewhere.

Leo considered both options and thought that having it hosted would mean he did not need to leave his machine on and need not worry about his home's wi-fi connectivity when friends wanted to play. He found a few providers that specialised in hosting gaming servers. He spec'd his server based on his own machine at home and chose a provider that he thought was most cost-effective. He also checked the bandwidth his server would have, as "nobody likes poor latency when you are gaming", he tells me!

Leo then worked out he would need to charge his friends £1 month if they paid directly into his PayPal account, and £2 if they gave him cash – because he would need to bank the cash, which was annoying and took time. Leo makes a small profit on top of not having to fund his own subscription anymore. There is a budding entrepreneur, if ever I saw one!

At 14, Leo moved his gaming to a cloud service and reduced his own costs while increasing his profit – and this is why he is ahead of many banks that have yet to move to the cloud. Obviously, moving banking to the cloud is much more complex; however, banks need to move fast as most neo-banks are starting in the cloud and benefiting from a lower cost operating model. Some of the early players such as Monzo and Starling wrote their own cloud-native core banking systems, while Tandem has implemented Mambu and Atom is moving to Thought Machine. Both core banking providers are new generation, cloud-native ones.


Leo Westcott

"Last year, Japanese exchange Coincheck began supporting NFTs based on Ethereum. It is very possible that Leo may be trading crypto before his parents."
Dharmesh Mistry

However, there is much more for banks to gain from understanding Leo's generation. These are digital natives – as such, they not only expect products and services online like millennials, but they are also happy to create their own if it is better for them.

Leo is learning Python at school; he tells me there are more than 100 million users monthly on Minecraft so that's an awful lot of money the developers must be making! He thinks he might like to be a games developer but that may change later. Leo and his friends convert some of their pocket money into Minecoins for in-app purchases.

Last year, Japanese exchange Coincheck began supporting NFTs based on Ethereum. It is very possible that Leo may be trading crypto before his parents.

While Leo's generation is almost a decade away from joining the workforce, there is a lot to learn from them now. But perhaps the biggest opportunity is designing banking experiences for them. Today, a few banks offer the ability to pay pocket money and for household chores, but outside of this there is little or no innovation. How many kids would sign up for a bank account that was tied to a subscription of Minecraft or paid interest in Minecoins?

I also wonder what banks could be doing to recruit programmers straight out of school. I guess all I'm really saying is that there is a lot more to Generation Alpha than meets the eye. The time to take a closer look at them is now, and not nearer the time to them entering the workforce.

In the meantime, if you know any more youngsters like Leo that are leaving school and looking for a job, send them my way. As for Leo, I'd like to thank him for opening my eyes to his generation and can see a bright future for the young man.

Dharmesh Mistry has been in banking for 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.

Navigating a cyber-normal world

By Ruby Hinchliffe, reporter, FinTech Futures

When I think back to the past year and tally up the sheer number of phishing emails, fraudulent texts and scam calls I've received, it suddenly hits me that this is our new normal. Much-quoted data from the first six months of 2020, gathered by Barclays Bank, showed a 66% increase in reported scams. And now lobby group UK Finance is calling for new legislation to make online platforms responsible for taking down fraudulent content.

There has been no end to the creativity – or shamelessness – of these ploys for our money. In Leicester last month, criminals posed as the NHS, sending text messages to vulnerable residents offering them the chance to apply for a coronavirus jab.

Whether we like it or not, the routes to our pockets don't just stop at a dark back-alley, a busy nightclub or a smashed window. We live in a world now where a digitally literate fraudster can sneak into a backend system and grab all our information. A world where someone can call you up and impersonate your bank using a cloned number, so you fall for them. A world where simply clicking on a link means "game over" in a split second.

I fell victim to two fraudulent transactions last month, one almost immediately after the other. From my own Agatha Christie-style deduction skills, I figured the scammer could only have filched my details from one of three services: Uber Eats, Bolt or Deliveroo. So now I religiously use Google Pay. Mobile wallets mean you don't have to store your card details on each service you use. And they come with an extra layer of security anyway. So far, I've not woken up to another dodgy £24 Nandos purchase and had to convince Lloyds' bank fraud team (and myself) that I didn't order a PERi-PERi chicken while drunk.

These virtual backdoors into our prized – though often commoditised – personal details aren't just a reason for individuals to be concerned. Some of world's largest, most recognisable brands have expressed their dismay at the new threat landscape they now face. "One of the things that always keeps me up at night is cyberattacks," PayPal's CEO, Dan Schulman, said in December. The digital wallet giant suffered multimillion-dollar losses after an incident in 2010, which saw hacker activists seek revenge over its refusal to process payments for WikiLeaks.

After a quick Google, it seems that cyberattacks have been a thing since the late 1970s. Convicted hacker Kevin Mitnick was one of the first, executing his first attack in 1979 at the age of just 16. He now owns a security consultancy named after himself, which means they had to keep "nick" in the title. Today, when we think of big cyberattacks in the financial space, we instantly think of Equifax's record-breaking 2017 data breach. Since then, cybersecurity has gained a fair few rungs on every banking executive's priority ladder. In April, Federal Reserve chairman Jerome Powell went as far as to say he's more worried about cyber risk than the prospect of another 2008-style financial crash.

With cybersecurity historically emerging out of reactive need rather than proactive forethought, it's hard to imagine a world where us and PayPal's CEO can sleep easy at night. But while the rise in cyber-based crime might mean a restless, constant-hurdle-jumping state-of-mind for us consumers, for cybersecurity companies, the business opportunity has never been so big.

The global cybersecurity market sat at $184.19 billion in 2020, according to Statista. And this value is reflected in recent stock market listings. UK cybersecurity firm Darktrace saw its shares jump by as much as 40% following an end-of-April IPO. Often dubbed one of the country's "tech darlings", its stock market debut has marked a big sea change for London IPOs just weeks after Deliveroo's listing flop. There is, however, something disconcerting about the company's CEO, Poppy Gustafsson, making £19 million off her 0.6% share in a company that exists because we'll never truly be safe online.

Investment apps: changing hearts and minds

By Chisato Nakamura, manager, innovation business division, au Jibun Bank Corporation

With the global outbreak of the COVID-19 pandemic, governments and individuals need to take further actions to mitigate risk and minimise transmission while maintaining social and economic activities. People have been forced to change the way they live in ways never imagined, which is to adapt to this "new normal".

Japan has been no exception. People now see their future more with uncertainty and have learnt from 2020 that our future is not something predictable.

If you look at the retail finance sector in Japan, there was a certain change as well around the same time. More people started to invest in stocks in 2020, just like in the US and in the UK. The number of newly opened accounts at five major Japanese internet securities firms, from January to September, doubled in 2020 year-on-year.

There could be various reasons behind this trend: a bull market environment; coronavirus financial aid programmes; digital transformation within the securities services industry utilising smartphones; the Nippon Individual Savings Account (NISA) offering with its preferential tax treatment for individual investors (NISA is the Japanese version of the UK's ISA, launched in 2014); and, last but not least, people have more time to think about investments and to plan for the somewhat uncertain future in their stay-home lifestyles.

You may think this investment boom in Japan is similar to what is happening in the US with the Robinhood app; however, the background is a little different in terms of people's feelings from a historical perspective.

CASH HAS LONG-BEEN KING

According to the Japanese government, Japanese households have little interest in investing in financial instruments, preferring deposits and savings with very little understanding of the effectiveness of long-term diversified investment in other financial instruments.

The Financial Services Agency (FSA) noted in its 2016 report that savings and deposits accounted for around 52% of Japanese households' financial assets (compared with 24% in the UK and 14% in the US). There is a deep-seated distrust among Japanese people towards the stock market due to the after-effects of the bubble economy, which collapsed in 1991.

It has been said that for Japan to attract individual investors to the stock market, not only it is necessary to remove this distrust, but also for the individuals to find pleasure in money management. Looking at how people flocked to open accounts at securities firms in 2020, it seems they have started to find some fun there.

The brand-new app content that au Jibun Bank released in May 2020 certainly contributes towards this sentiment.

MAKING MONEY MANAGEMENT FUN, POWERED BY AI

In the middle of the pandemic, au Jibun Bank embedded unique content into its app, called AI Japan Market Forecast.

The artificial intelligence (AI) based analysis of the stock market (Tokyo Stock Price Index: TOPIX) and the economic indicator figures derived from monthly surveys such as Purchasing Managers' Index (PMI, compiled by IHS Markit) has enabled the banking app to show the five-day and one-month forecasts of the stock market, with daily and monthly updates, respectively, which users can check for free.

With a simple user interface (UI), people can track the latest market forecasts, which could not have been brought by usual technical market analysis, nor by big data analysis of the stock market data only.

It was made possible by utilising image recognition technology provided by the bank's partner AlpacaJapan, a technology start-up with advanced AI expertise, and also by analysing the PMI figures (regarded in the market as an early indicator of the GDP statistics). This tool is known as au Jibun Bank Japan PMI.

Au Jibun Bank created these new tools to help users better understand where the economies and markets are headed. This is a unique approach for a leading mobile bank in Japan with a full banking licence.

This content is motivating the app users to think positively about building up their assets for the future.

The percentage of the tool's correct daily forecast ratios was more than 64% in October to December last year. As the AI engine improves by analysing charts accumulated on daily basis, the accuracy is, too, expected to improve further.

A BANKING APP AS A LIFE PARTNER

In addition to the AI Japan Market Forecast capability, au Jibun Bank keeps accelerating its activities to attract the beginner investors.

In March 2021, the bank opened its forex trading services to non-account holders by providing a "forex demo trading" capability (forex trading is traditionally considered "difficult" by most beginner investors).

By trading virtual funds, users can experience forex trading in a simulated environment. They can then also open their own forex account, and do it smoothly thanks to the bank's recently launched "simple mode UI".

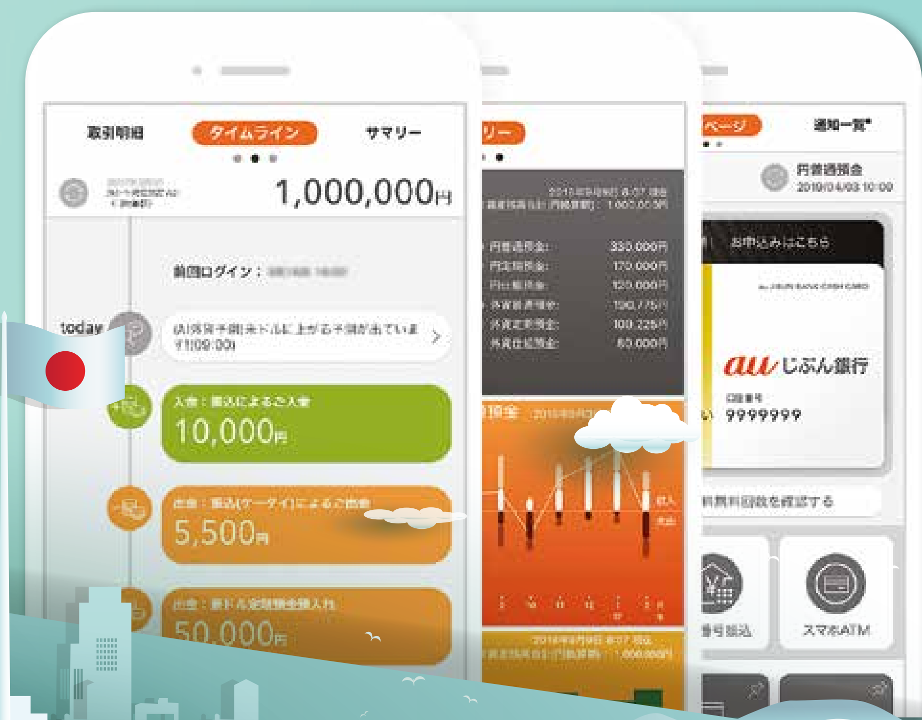
Another newly introduced feature is a connected service for users to buy investment trusts through their banking app, thanks to the API connection with au Kabucom Securities, an online brokerage firm.

Users can rely on the rankings of popular investment trusts and start investing easily through au Jibun Bank's one-stop-shop banking app. They can also check their total asset size, including cash deposits and investment trusts.

Au Jibun Bank believes that the improvement of education for individual investors is a basic element to encourage more people to invest in risk assets and/or start thinking of asset-building for their sustainable future.

It is important for the bank to provide users with the information about financial instruments in an easy and transparent way – and also to promote the availability of this information – so that they understand it and apply it successfully.

Au Jibun Bank aims to become the lifelong partner for every customer, providing straightforward and friendly touchpoints.



FINTECH FUNDING ROUND-UP

Netherlands-based neo-broker **Bux** will accelerate the roll-out of its zero-commission investing service after raising **$80 million** in funding.

The round was led by Prosus Ventures and Tencent, with participation from additional new investors ABN Amro Ventures, Citius, Optiver and Endeit Capital. They were joined by existing investors HV Capital and Velocity Capital Fintech Ventures.

Bux's current COO Yorick Naeff will succeed founder and CEO Nick Bortot, who remains a member of the non-executive board.

Already available in Germany, France, Austria and Belgium, Bux says it has more than doubled its assets under management in the last three months.

Greece-based paytech **Viva Wallet** has landed an **$80 million** investment from Chinese conglomerate Tencent, the European Bank for Reconstruction and Development (EBRD), and Breyer Capital, among others.

Viva intends to use the fresh funds to accelerate the roll-out of its Tap-on-Phone solution, which turns any Android device into a card terminal.

For its merchant customers, Viva is also in the midst of launching a credit service. The acquisition of Greek digital challenger Praxia Bank last year will underwrite this.

Warren, a São Paulo-based brokerage and asset manager, has landed **$55 million** in a Series C round led by Singapore's sovereign wealth fund, GIC. Existing investors Ribbit Capital, Kaszek, Chromo Invest, QED Investors, Meli Fund and Quartz also participated.

Founded by former partners of Brazilian investment management company XP Inc in 2017, the start-up charges its clients a flat fee for its services. These include a savings account, direct access trading and managed portfolios.

Warren intends to use the fresh capital to hire more employees. It currently employs some 400 people.

Securrency, a provider of blockchain-based financial and regulatory technology, has raised **$30 million** in a Series B funding round. Investors include WisdomTree Investments, Abu Dhabi Catalyst Partners Limited (ADCP), State Street and US Bank.

Securrency offers what it calls a "fully-interoperable distributed identity and compliance framework", which can connect legacy technology to new blockchain systems.

This new injection comes on the heels of a $17.6 million Series A round in early 2020.

Core banking software vendor **Nymbus** has secured a **$20 million** investment from Vystar Credit Union for its newly founded credit union service organisation (CUSO).

Vystar CU is the 16th-largest credit union in the US and holds more than $10 billion in assets.

Earlier this year, Nymbus landed $53 million from Insight Partners, funnelled into its credit union project, Grow; followed by a $15 million backing from Financial Service Capital.

Three US fintech start-ups focused on providing banking products to kids and teens all landed fundraising rounds, racking up to a collective **$580 million**.

JPMorgan-backed **Greenlight** has raised a **$260 million** Series D led by Andreessen Horowitz at a valuation of $2.3 billion. The round has nearly doubled Greenlight's unicorn valuation from its last round in September 2020.

Andreessen Horowitz also led **Current**'s **$220 million** Series D. Current now sits at a $2.2 billion valuation – triple the valuation of its last funding round in November, which sat at around $750 million.

Step's Series C round raised **$100 million**. Led by General Catalyst, Step also gained an investor in US payments fintech giant Stripe. Celebrities Will Smith and Jared Leto also count themselves as investors.

Brex, a San Francisco-based corporate credit card provider tailored to start-ups, has landed **$425 million** in a Series D round led by Tiger Global Management. TCV and Ribbit Capital also took part. Four-year-old Brex is now valued at $7.4 billion.

Brex also recently unveiled a new product it is dubbing an "all-in-one-finance solution". It brings credit cards, business cash accounts, spend management and bill pay software into a single dashboard. Sitting under the Brex Premium offering, it costs SME customers $49 a month.

Brex says SMEs now account for 45% of its customers. It also claims that in the first three months of 2021, its client base grew by 80%.

Former Square exec Michael Giles aims to build a "modern clearing and custody business from the ground up" after raising pre-launch funding of **$20 million**.

Embedded Financial is due to launch in Q3 2021. It has received FINRA approval to act as a correspondent clearing and custody broker-dealer for US listed equities and options.

Investors include Propel Venture Partners, Y Combinator, Bain Capital Ventures, Homebrew, Acrew Capital, SWS Ventures, Lachy Groom, Josh Buckley and founders of fintechs such as Plaid and Marqueta.

US-based **Mantl** has raised **$40 million** in Series B investment to support the growth of its account-opening solution that serves community banks and credit unions.

The round was led by CapitalG, Alphabet's independent growth fund, with participation from D1 Capital Partners and BoxGroup.

Mantl's customer base expanded by about 60% in 2020. The company has also doubled its revenue and staff numbers in the last year.

Co-founder and CEO Nathaniel Harley says Mantl is "part of this new wave of fintech that's transforming the cost structure of traditional banks".

Welcome Tech, which describes itself as "the world's first digital platform providing immigrants and their multi-generational families with the ecosystem required to thrive in the US", has closed a **$35 million** Series B financing round.

This brings the company's total funding to date to $50 million. The latest round was co-led by TTV Capital, Owl Ventures and SoftBank Group Corp's SB Opportunity Fund, with participation from Crosscut Ventures, Mubadala Capital, Next Play Capital and Owl Capital.

Welcome Tech has built its platform on proprietary technology and data, and now has nearly three million active users.

European payments and expense management platform **Payhawk** has raised **$20 million** in a Series A funding round, led by QED Investors and with participation from existing investor Earlybird Digital East. Payhawk has seen 10x growth in 2020 and doubled its revenue in Q1 2021.

The new investment will be used to triple its sales and marketing team, expand its offering to companies outside the EU and UK, streamline cashflows from existing bank accounts to Payhawk, add new currencies and introduce new payment methods, including credit cards.

International hiring and payments platform **Deel** has reached a valuation of $1.25 billion, following its **$156 million** Series C round. The round was led by YC Continuity and two existing investors, Andreessen Horowitz and Spark Capital. YC Continuity's managing partner, Ali Rowghani – formerly Twitter's COO and CFO of Pixar – has joined the board.

Since its conception in January 2020, the start-up has grown from a team of seven to employ more than 120 people remotely across 30 countries.

Last year Deel experienced 20x growth by attracting 1,800 companies paying employees in more than 150 countries, and adding 120-plus currencies.

New York-based blockchain firm **Digital Asset** has announced a raise of more than **$120 million** in its Series D funding round from 7RIDGE and Eldridge.

Digital Asset's flagship offering is a multi-party application platform, Daml, which "transforms disparate data silos into synchronised networks, eradicating latency and errors by guaranteeing consistent data".

The Australian Securities Exchange, BNP Paribas, Broadridge, and Hong Kong Exchanges and Clearing are among its customers.

In 2020, Digital Asset tripled its customer base, with 50% of new business coming from non-blockchain deployments.

It is backed by 18 strategic investors.

FintechOS, the Romanian-born but London-based start-up providing plug and play products for banks and insurance companies, has landed a **€51 million** Series B.

The round, led by Revolut and Freetrade backer Draper Esprit, will fund FintechOS' international expansion beyond the UK and Europe. Currently, the fintech is looking to Asia-Pacific, the Middle East, Africa and North America.

It will also kickstart a 120-person hiring spree – that's a 40% increase on its headcount. The overall aim is to exceed the 200% compound annual growth rate (CAGR) achieved to date.

Existing investors Early Bird, Gapminder Ventures, Launchub, and OTB Ventures also joined the round.

Dear Luc: How easy is mobile wallet integration?

By Luc Gueriane

In this new column, *Dear Luc*, we answer the questions the industry's fintech founders are too afraid to ask, and solve the problems they don't want their VCs to know about.

From regulation readiness to technology teething troubles, our start-up agony uncle, Luc Gueriane, is here to help.

He has more than seven years' experience working with flagship fintechs like Revolut, Transferwise, Monzo and Curve.

His expertise and extensive work in the fintech ecosystem mean that Luc is able to offer unique insight into the building of a successful fintech company.

Dear Luc, I want to offer Apple Pay and Google Pay, but don't know how to integrate them. How easy is it to build these into my offering?

It is no surprise that there is great demand from fintechs to add mobile wallets to their programmes. In part because of the rapid popularity of mobile payments during lockdown and the lack of chip and pin usage. But also because it is now the norm for users to be offered many different payment options. According to GlobalData, mobile wallet adoption rose worldwide to 46% in 2020, and it will no doubt continue to grow.

Yet founders are often shocked at how complicated it can be to integrate Apple Pay, Google Pay and other mobile payment methods into their offerings.

When you want to use a wallet provider like Apple Pay, you are asking to represent the "superbrand" that is Apple. By doing so you are agreeing to its terms for things like costs, user experience (UX) and marketing.

Apple, understandably, wants Apple Pay to run flawlessly regardless of where it is being used, and any interruption won't reflect well on it. To ensure this high standard, it provides minimum requirements for the customer experience so that consistency is mirrored across the board. It's also worth noting that Apple's specifications aren't necessarily things we as consumers would notice. The very fact we don't notice these details is exactly why the experience is so seamless.

It is important to remember when creating any financial product that it is fundamental from a regulatory and reputational point of view for it to work exactly as intended. This is why some of the most successful card programmes have several partners working behind the scenes providing specialist services to help tick both boxes.

However, it is still complicated to take a financial product to market because there are a lot of different moving parts with the card scheme, processor, app developer and issuer all involved. It is these parties who are ensuring operational efficiency, compliance and a consistent user experience. When you want to provide mobile wallets, these partners are crucial to getting things right.

These are some of the key requirements and considerations for you and your value chain to think about:

- The issuer must have a relationship with the provider and be recognised as an "eligible issuer", and be MDES (Mastercard) or VTS (Visa) "enabled".
- The processor must be certified for MDES/VTS. If your partners aren't certified, you may need to factor in a longer lead time to get everything up and running properly.
- The app developer must be able to adhere to wallet standards including complex flows such as in-app provisioning. For example, they will need to be able to take the Primary Account Number (PAN) information from the processor and send it elsewhere.
- Every new Apple Pay, Samsung Pay or Google Pay product needs to be tested and approved by your partners. Therefore, it must be configured at a scheme level and must demonstrate it works in a certified testing lab before it can launch.

These are just some of the main considerations. If adding a mobile wallet is on your roadmap, I'd recommend you select partners based on their eligibility to assist you in making this a reality. Your partners will be able to give you a realistic idea of the costs, timelines and resource involved, and can use their experience to help guide you through the process.

Do you have an embarrassing question you want answered, or a seemingly unsolvable problem you'd want help with? Email FinTech Futures' deputy editor, Alex Hamilton at alex.hamilton@fintechfutures.com in confidence.

MOVERS AND SHAKERS

London-based FX and payments firm **Moneycorp** has appointed **David Yates** as vice chairman. Yates previously led Vocalink, which was acquired by Mastercard in 2017 for $920 million. The transfer saw Yates join Mastercard's management committee, which he left in October 2019. He also spent more than six years leading international expansion at First Data (bought by Fiserv in 2019 for $22 billion). Moneycorp intends to go "truly global" and is betting on Yates' track record, which it claims saw him grow international revenue at First Data from $250 million to $2 billion.

Real-time cross-border liquidity firm **RTGS.global** has appointed **Dave Sissens** as its new CEO. He joins from analytics company FNA, where he held the role of chief solutions officer. Sissens also worked at settlement system CLS for two decades, leaving as head of operational strategy in 2016.

Banking-as-a-Service (BaaS) provider **Railsbank** has appointed **John Hammond** as its new chief commercial officer (CCO).

Hammond, the former CCO of Currencycloud, also served as EMEA sales director and SVP at software firm 1E. He also spent two years as chief revenue officer at learning platform Fuse Universal.

Charlotte Crosswell has stepped down from her position as **Innovate Finance** CEO, replaced by **Janine Hirt** who moves from the COO role. Hirt has worked at Innovate Finance for three years. Prior to that, she was acting head of corporate relations at Chatham House. She also spent five years at the Brazilian-American Chamber of Commerce, leaving as head of membership in 2012.

Paroma Chatterjee has been appointed CEO India at **Revolut** as it plans a multi-million dollar investment into the country over the next five years and 300 new jobs. Chatterjee previously held senior executive roles at Lendingkart, Via.com, Flipkart and Airtel Money.

The **US Securities and Exchange Commission (SEC)** has confirmed the nomination of **Gary Gensler** as its new chairman.

Gensler was picked for the role by US President Joe Biden, and will lead the regulator in the drafting of new rules to govern Wall Street. He is a former Goldman Sachs executive, and ran the Commodities Futures Trading Commission (CFTC) under the Obama administration.

Penta's co-founder **Jessica Holzbach** is leaving the fintech she began building in Berlin more than four years ago. Her exit is "at her own request to seek a new professional challenge", according to the company. Her last role at Penta was chief customer officer. Penta offers banking services to freelancers and small businesses in Germany and Italy, and has about 30,000 SME customers. It employs some 150 people and has raised more than €50 million so far. Holzbach will continue to hold a stake in Penta.

Zand, a UAE-based digital challenger bank, has named Emirati tycoon **Mohamed Alabbar** as its new chair and **Olivier Crespin** as CEO as it plans to launch retail and corporate banking services.

Alabbar is best known as the founder of Emaar Properties, which developed the Burj Khalifa and the Dubai Mall. Crespin spent more than 16 years at Citi in his early career, where he ended up as global head of operations for its private bank. In April 2016, during a subsequent tenure at Singapore's DBS Bank, Crespin launched Digibank India.

Digital services firm **Mobiquity** has hired former BNP Paribas COO **Howard Moore** as senior director for digital banking, to spearhead a global expansion strategy. He has more than 20 years' experience in the financial services sector, with his time at BNP Paribas coming between 2006 and 2016.

FINTECH FUTURES

EDITORIAL
Managing Director & Editor-in-Chief
Tanya.Andreasyan@fintechfutures.com
Deputy Editor
Alex.Hamilton@fintechfutures.com

Reporter
Ruby.Hinchliffe@fintechfutures.com

SALES
Head of Sales
Jon.Robson@fintechfutures.com
+44 (0)20 8052 0423
Business Development Executive
Sam.Hutton@fintechfutures.com
+44 (0)20 8052 0434

MARKETING
Marketing Manager
Rebecca.Nolan@fintechfutures.com
Marketing Executive
Kiran.Sandhu@fintechfutures.com

ADDRESS
FinTech Futures, 240 Blackfriars Road
London SE1 8BF

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Hobbs the Printers Ltd, Hampshire, UK

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