banking technology

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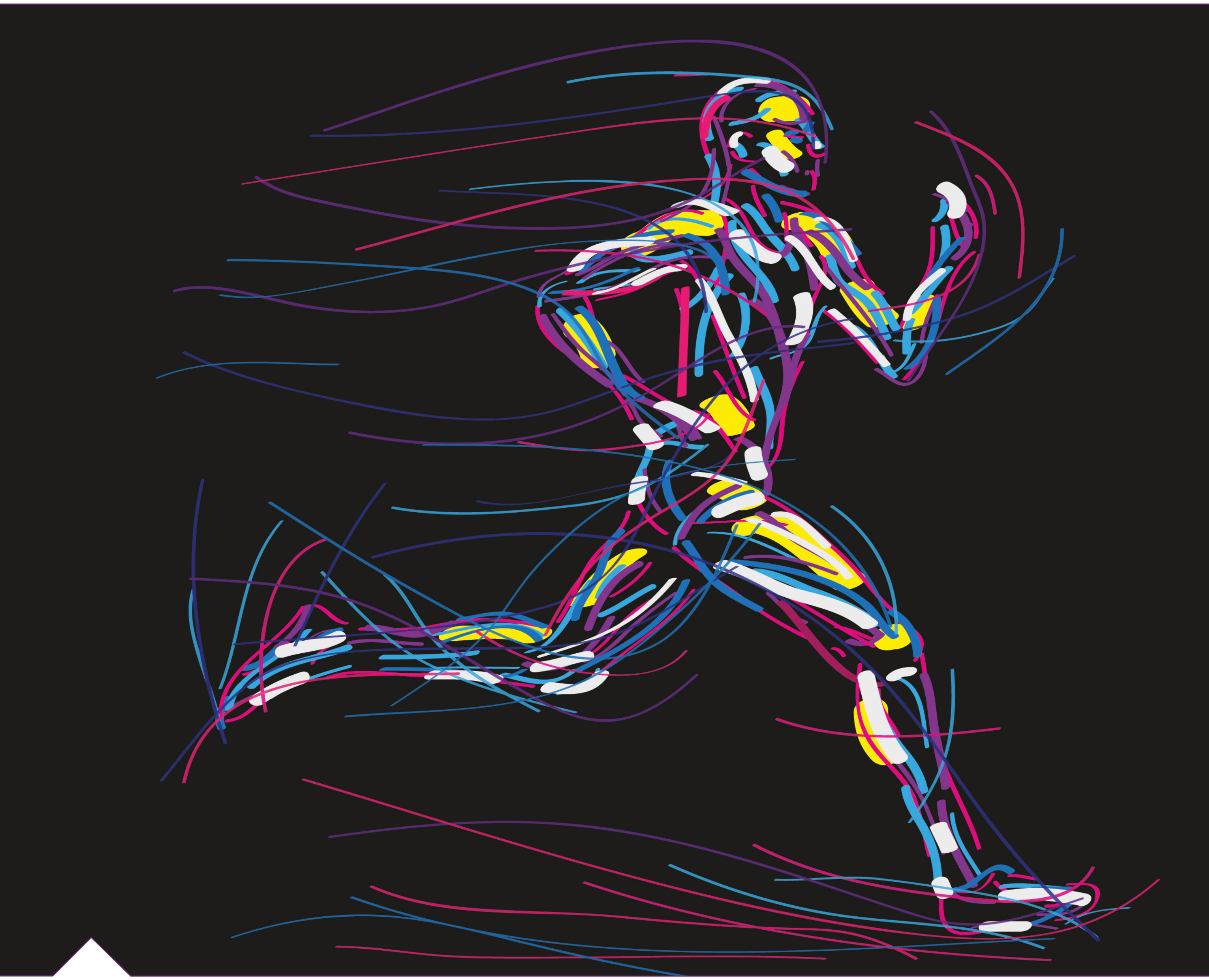


WITHOUT LIMITS
The Barclays accelerator races ahead

ENGAGE, EMPOWER AND ADVANCE
A sit-down with the co-founder of BLCK VC

BUILDING OUT A PAYMENTS HUB
Insights on Finacle's banking solution offering

Produced by
FINTECH FUTURES

IN THIS ISSUE

EDITOR'S NOTE

Sharon Kimathi
Editor, Banking Technology

This month's *Banking Technology* points a mirror towards the buyside investors and accelerator hubs that finance fintechs.

Venture capital (VC) investment remained strong across the globe despite the global uncertainties resulting from the outbreak of coronavirus. According to the Pulse of Fintech H1'20, a bi-annual report on global fintech investment trends, investment could surpass the annual record if the trend recorded in H1'20 continues unabated.

The report notes that "VC investment accounted for $20 billion. Americas still account for the largest VC investment, $9.3 billion. Asia comes second with $6.7 billion. Europe, the Middle East, and Africa (EMEA) account for $4 billion."

It is said that a rising tide lifts all boats, but our reporters voyage beyond the truism, and critically assess whether investment is accommodating marginalised groups, smaller start-ups, and those whose capacity for innovation is otherwise restricted by externalities.

Ruby Hinchliffe, reporter at *FinTech Futures*, speaks to Barclays Eagle Labs head, Natalie Ojevah, who talks about the tech accelerator's latest Black Founder Accelerator. She reveals that the volume of applicants has "exceeded" all her expectations and "shows the strength of why we need these programmes".

The co-founder of BLCK VC and Storm Ventures associate, Frederik Groce, talks about his mission to change the low investment rate in Black businesses and founders, and the challenges Black investors face.

We hope you find this month's edition of the magazine enlightening and inspiring.

FINTECH FEED

TWEET DECK Follow us @FinTech_Futures

Dom Bellamy
@DomBellamy_
Monzo could release a new, shinier card every other month and my magpie ass brain would be like "yep, no problem, add it to the bill"

Chris Skinner
@Chris_Skinner
Banks commit to cloud…

Mike Bird
@Birdyword
As the joke goes, the only market that the fiscal conservatives don't trust is the government bond market.

> **Duncan Weldon** @DuncanWeldon · Oct 21
> Inflation at 0.5% and gilt yields under 0.2% don't exactly scream "you'd better get on with tightening policy".

Alexander Hamilton
@ADHamilton91

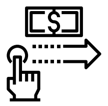
THE NUMBER GAMES

$1.2 trillion
The amount of sustainable investments in Switzerland, leaping by 62% in 2019 alone

2,740
job cuts announced to take place between ING, Lloyds Bank, HSBC and Virgin Money

12 million
The number of UK adults that had "low financial resilience" in July, according to the Financial Conduct Authority (FCA)

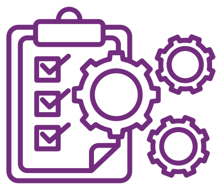
$48bn
total remittances to sub-Saharan Africa last year, according to the World Bank



198
Barclays gets 198 applications for Black founder tech accelerator

3
Three major US banks make up half of 2020's $11.39bn fine total

23
The number of regulators across five continents are taking part in the Global Financial Innovation Network, a cross-border testing initiative



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THEY SAID IT…

"I don't think five or six years ago you would have heard of a bank forming a Black founder accelerator"

Natalie Ojevah, higher apprentice, leadership and management at Barclays Eagle Labs

NEWS ROUND-UP

Exclusive: Bank of Ireland planning UK tech revamp

Bank of Ireland, one of the country's traditional "Big Four" banks, is understood to be looking to replace a host of legacy systems in its UK operations. *FinTech Futures* understands that the bank is evaluating the market and looking for a partner to help it revamp several back-office systems. It runs Accenture's Alnova, Sopra Banking Software's MSS suite (for savings and mortgages), and DPR Consulting's loan origination system. It also deploys iConnect, supplied by HML, for loan servicing and administration.

Payvision accused of pushing €131.2m in fraudulent payments

ING subsidiary Payvision, a payments processing firm, is accused of facilitating fraudulent transactions worth €131.2 million. A spokesperson at the Dutch bank confirmed to *FinTech Futures* that the European Funds Recovery Initiative (EFRI) has filed a claim against Payvision. It alleges Payvision allowed some 250 European consumers to lose out on millions in euros over a four-year period, from 2015 to January 2019. EFRI wants the fintech to pay €10 million in restitution to those affected.

Banco Santander's VC arm invests in Spanish proptech Clikalia

Mouro Capital, Banco Santander's capital venture arm, has invested an undisclosed amount into Clikalia, a Spanish fintech which digitises the buying and selling of houses. The investment marks the first Spanish portfolio company on Mouro Capital's books. The venture capital fund was spun out of the bank's previous investment division, Santander Innoventures, in September. The funding represents Clikalia's Series A, which comes with a new debt facility that aims to facilitate its growth.

US fintech lender Upstart Holdings files for IPO

Upstart Holdings, a California-based fintech lender led by ex-Google exec, Dave Girouard (pictured), has filed for an initial public offering (IPO). The start-up filed on 5 November with the Securities and Exchange Commission (SEC). The number of shares on offer, as well as the price range of the IPO, are yet to be determined. The fintech netted a $4.6 million profit in the first nine months of 2020.

US Department of Justice moves to block $5.3bn Visa-Plaid deal

The US Department of Justice (DOJ) has filed a civil antitrust lawsuit to stop Visa's $5.3 billion acquisition of Californian fintech Plaid. The DOJ alleges that Visa's reason for acquiring Plaid is to take a future competitor out of the market. It describes Visa as "a monopolist in online debit services, charging consumers and merchants billions of dollars in fees each year".

Swiss government launches green fintech network

An arm of Switzerland's federal finance department has launched the Green Fintech Network to take advantage of the growing opportunities in sustainable investment. On 3 November, the head of the State Secretariat for International Financial Matters (SIF), Daniela Stoffel, laid out the network's foundation in a virtual call. The network will identify which conditions for green fintech could be improved. Proposals will then be submitted to both government and private sectors. Once agreed, the network will then help to implement these improvements.

TRENDING

Opportunity despite adversity

It's been a resilient Q4 for Nigeria's fintech scene, despite Nigeria's government implementing new regulations and fees that hit tech start-ups amid the coronavirus pandemic and the #EndSARS protests against police brutality. The Nigerian paytech, Flutterwave, donated NGN 2 million ($5,237) to the cause and used its platform to process further donations to support the victims and protesters. US-based payments firm, Stripe, is acquiring Nigerian start-up, Paystack, as part of an ongoing merger and acquisitions (M&A) strategy. According to TechCrunch, Stripe has paid a reported $200 million for Lagos-based Paystack, a record fee for a Nigerian start-up. This isn't the first interaction between the two companies: Stripe led Paystack's Series A funding round in 2018. Nigeria challenger, Kuda Bank, has raised $10 million in a seed funding round led by Target Global and saw participation from SBI Investment and Entrée Capital. The round is tipped as the largest of its kind in Africa.

Upping the antitrust

Visa's $5.3 billion acquisition of Plaid is facing an antitrust lawsuit from the US Department of Justice (DOJ). Visa says the effort is "legally flawed and contradicted by the facts". The DOJ alleges that it would eliminate a nascent rival, stifle innovation, increase costs to businesses and consumers. Market sources point to the similarities in the antitrust case United States vs Microsoft in the early 2000s, which found the Big Tech guilty of antitrust behaviour and ordered to break up. But the courts eventually settled, leaving Microsoft free to continue tying other software to Windows. Perhaps this case may be different.

Tackling AML breaches

Goldman Sachs, Wells Fargo, and JP Morgan Chase paid $7.85 billion in fines out of a total of $11.39 billion paid by banks globally so far this year, according to Finbold's Bank Fines 2020 report. The most common violation among banks globally in the report was anti-money laundering (AML) breaches. The international consortium of investigative journalists (ICIJ) worked with Buzzfeed to uncover leaked documents from the US Treasury's Financial Crimes Enforcement Network (FinCEN), recommending six reforms to quell money laundering. Putting an end to "too big to jail" for US banks and bankers, tighten suspicious transaction reporting requirements, empowering bank compliance officers, ending tax havens in America, closing UK's "giant secrecy loophole" and harmonising Europe's primary responsibility for supervising and enforcing AML laws.

Talk ain't cheap

Chinese regulators paused Ant Group's initial public offering (IPO) dual listing after its founder, Jack Ma, made critical comments regarding the country's financial regulatory landscape. Ma stated that the "regulatory system was stifling innovation and must be reformed to fuel growth," during a summit in Shanghai on 24 October, attended by top officials of China's financial, regulatory and political establishment. He added that Chinese banks "operated with a 'pawnshop' mentality". Ma made the comments a few days after receiving approval from both Chinese and Hong Kong regulators for Ant's $30 billion IPO. The People's Bank of China and the Shanghai Stock Exchange (SSE) called Ma in for "supervisory interviews" two days before the company's stock was to start trading in Hong Kong and Shanghai. Ant Group's IPO could be delayed by at least six months.

FCA findings

The Financial Conduct Authority (FCA) found that 12 million UK adults had "low financial resilience" in July due to the economic effects of the coronavirus pandemic. The pandemic tipped financial crisis iceberg that has been building up over the past few years. The Financial Health Exchange research in 2014 found that 41% of UK households could not last three months without their main source of income, and the majority of these (32% of all households) would not last longer than one month.

How real are real-time payments?

By Ruby Hinchliffe, reporter, FinTech Futures

The financial industry is a keen user of the phrase "real-time payments". But how many of us actually mean "real-time" when we say it? Real-time isn't complicated. It doesn't mean "faster payments", which it often gets confused with. It means it happens right there and then, with no delay – or float, as the industry calls it.

"Many in the industry will use the terms 'faster' and 'real-time' fairly interchangeably, and certainly I'm guilty of that," Sarah Grotta, a researcher at Mercator Advisory Group, tells PaymentsJournal. "But I think it points to a bit of the confusion in the market and the need for clarification."

South Korea was the first to launch a real-time payments system in 2001. Since then, the UK and parts of Asia have done the same, and the US is currently ramping up its own. At the end of 2019, the US Clearing House said its real-time payments network was reaching nearly 50% of all US bank accounts.

But there are two different conversations to be had. One for domestic payments, and quite another for cross-border payments. Incumbents and fintechs alike still face the same challenges when it comes to scaling real-time payments internationally, which is why the phrase "real-time payments" still doesn't wholly ring true.

It comes down to a host of complexities, including crossing different regulatory jurisdictions, as well as the time it takes to convert money between different currencies. So, are these challenges manageable?

The emergence of ISO 20022, a global and open standard for payments messaging, has helped to kick off standardisation which could shape a harmonised cross-border payments system. Companies have desperately tried to reach a solution which connects the dots between national solutions. Swift claims it's been working with market infrastructures in Australia, Europe and Asia to do this.

The most notable project in this direction is P27, a Nordic-wide single payments platform which is likely to become the first model for real-time cross-border payments. "This isn't a long-term aspiration anymore, it's happening in the next couple of years," says Peter Ryan, a senior product manager at Infosys Finacle.

In a world where "instant" is becoming the new base-level expectation, banks and payments systems are under a time pressure to deliver real-time-everything. Generation Z has an attention span of just eight seconds. Which means the longer we wait, the more the world will clamour for instant payments and more.

Currently, the likes of fintech start-up TransferWise and Santander's PagoFX – created to take on upstarts like TransferWise – still face a common problem. They're still both subject to the same time delays, which means sending a full, converted payment can still take days depending on when it's sent. Even if they claim it can take minutes, there's no guarantee – like a real-time cross-border payments system.

But it's not just about solving the payment itself. It's also about the message which confirms or alerts you of that payment. We get banking app notifications when someone sends us money, but how in-sync is the transaction with the message of payment? The amount of times I've fallen into the trap of thinking someone has sent me £50, only to find it's the money I transferred to myself half an hour before.

It adds to the list of reasons which explore why real-time payments, in their truest form, still seem like a far-off concept unless you're living in the Nordics. Notifications – at least sent by incumbents like my bank Lloyds – are still out of sync with payments as simple as to one's self.

And payments are still significantly delayed by border jurisdictions and currency conversion times. The answer to these barriers lies in collaboration on a mass scale. It's far bigger than the cost-war incumbents and fintechs are currently fighting.

The key to unlocking CX success

By Alex Hamilton, deputy editor, FinTech Futures

The financial services landscape has experienced a fundamental change in the last few years. Increased regulation, thinning margins, the entrance of fintechs and start-ups, and the interest of Big Tech firms have created a heady mix of challenges for banks at almost every level.

However, the core services for customers remain largely the same, financial institutions are beginning to realise that providing exceptional customer experiences can be a true differentiator in the market.

Customer service has emerged as one of the most highly valued attributes in a bank by consumers, while every point dropped in a bank's customer experience score can lead to up to $124 million lost. This is according to Forrester's 2019 Customer Index Report.

The most forward-thinking of CEOs must be asking the question "what do my consumers really want from their bank?". Yet that question often ends up simplifying things. Banks need to be asking "how can I understand what customers are trying to achieve, and help them achieve it?"

Banks once relied upon reputation and pedigree to get the job done, gain market share and build up the loyalty of their customer bases. Times have changed, and financial institutions are changing with it. Trust was once built on the bedrock of the branch. That rock has eroded away, creating a more complex and competitive landscape where the best bank wins.

DRAMATIC SHIFT

The truth is that consumer needs have undergone a rapid and dramatic shift over the course of 2020. Even prior to the arrival of the coronavirus, customers were beginning to value digital banking experiences as a major factor in their choice of financial institution.

"Today when we start using new digital products, we just intuitively expect them to work. I think that's the generational change: nobody reads instructions anymore," says Ken Johnstone, chief product officer at digital SME bank Mettle.

"When I started out in the 90s, user experience didn't really exist as a discipline, we had graphic designers and technical information architects, but those skills were really quite niche. Now when you're developing a product UX and product design are absolutely mainstream."

Financial institutions are facing increasing competitive pressure from new entrants, diversified needs of their younger customers, and a rapidly changing economic and sociological landscape. Pivoting to create better customer experience will be crucial to ensuring future success.

FinTech Futures has put together an industry report looking at the key factors which can improve customer experience and create tangible benefits for financial institutions. It investigates how banks can understand, react, and realign their practices and technology to set themselves up for a remote and all-digital future.

To see just how banks can grasp the opportunity presented to them, head to the *FinTech Futures* website to download the report for free today!

Building out a payments hub

Peter Ryan, senior product manager at Infosys Finacle, speaks to *FinTech Futures* about how the firm is building out the peripherals of its enterprise payments hub.

Finacle Payments works with both its own Finacle Core Banking Solution and other third party solutions.

One of its big benefits is that it's ISO 20022-native. "As payment systems continue to move to this standard, it places us in a good position," Ryan explains.

That's because it speeds up the roll out of new payments schemes and allows Finacle to act as a good-quality data acquirer.

"If it's already ISO 20022-compliant, then you keep that granularity of data. But if you transfer it from a legacy alternative to an ISO 20022 format, then you lose that granularity and the data is worth less."

With this granularity, firms can monetise their data better, and use it to complete fraud and anti-money laundering (AML) checks.

But the advantages don't stop there. With real-time payments based on ISO 20022, Finacle's same-based payments hub can also improve processing times – such as the number of transactions per second.

REAL-TIME DEPENDS ON THE CONTEXT

Asked how Finacle defines "real-time" payments, Ryan says "it depends on the context".

"If you're sitting in a restaurant waiting for meal payment to go through or paying in front of a busy supermarket queue – these are the sort of payments which need to be done in seconds.

"But large commercial business-to-business (B2B) payments can take longer than seconds, particularly if they're cross-border."

Whilst Infosys Finacle has customers across the globe, Ryan states that India and Southeast Asia are some of the 'most innovative' markets for payments around the world.

Some 49% of urban commercial bank customers in Southeast Asia already use e-wallets. That percentage is projected to jump to 84% by 2025, according to Boston Consulting Group (BCG).

And in India, the government-led creation of a Unified Payments Interface (UPI) has significantly boosted the interoperability of digital payments across the country.

THE FUTURE

Finacle has already built its messaging hub, so now an area of focus for Finacle is payment order management.

"Payments can come from different sources," explains Ryan. "But they need to come together and be routed correctly based on their source and the data they contain."

Asked what Finacle is doing in terms of open banking-initiated payments, the product manager says it's definitely an area of interest.

Infosys Finacle already supports open banking. "We are looking at open banking processing and the initiation of payments through APIs. We have the APIs there to support that, it's just looking at what else we can do, particularly for SME customers."

The end of apps

By Dharmesh Mistry

Although the phrase "the network is the computer" was coined by John Gage in the mid-1980s, I didn't become familiar with it until the dot com boom when I was busy putting banks and insurance companies online for the first time.

I distinctly remember thinking, what does this mean? You've got to remember at this time most offices were running hardwired networks and WiFi speeds were poor/unusable.

The vision was simply that millions (and now billions) of devices would be interconnected and interacting, sharing data and content. We are at that point already with cloud, personal computers, phones and Internet of Things devices, however given his statement was some 30 years ago it truly was visionary.

With Moore's law of compute power doubling whilst cost halved there was some inevitability for cloud computing to become mainstream one day even during the dot com era.

Today we see a massive growth in business solutions provided as-a-service but back then it was hard to imagine a bank moving their customer data and core banking systems to the cloud.

"It's not performant", "it's not secure", "regulators won't let us", were just some of the excuses we'd hear and I'm sure can be heard today.

Similarly, office software like word processing, spreadsheets and graphic design was seen as too compute intensive and required both the software to be on a hard drive and then run from a personal computer. That simply isn't the case anymore.

So as software moves to the cloud, as users spend more time on their phones, what is the future for the PC? I remember taking out a loan for £2,000 to buy my first PC, a 386sx with 4Mb of memory and 80Mb hard drive, and now I spend more on my phone than on my laptop. Today I have little installed software, it's mainly Windows. I also have very little data stored on my laptop.

"Before the mobile developers start printing dart board pictures of me, I should say I wrote about the end of Adobe Flash before Steve Jobs canned it from the iPhone…"

Dharmesh Mistry

Mostly, I use Google's office apps and cloud drive so that I can access my data/ documents both on my laptop and my phone. This is because massive increases in bandwidth have allowed me to work on the internet like we used to on hard-wired networks. The PC and laptop is increasingly becoming a "terminal" again. The big question is will this happen to phones?

Today you would be foolish to download meaningful apps or an OS upgrade on mobile data plans as it would be slow and possibly very expensive, hence upgrades are typically done on WiFi. That will soon change as 5G is rolled out.

5G is not only up to 1,000 times faster than 4G, it has many other benefits. There are some weaknesses too, like not being able to pass through water or objects. Nevertheless, we are heading towards a situation where bandwidth improvements mean there is little need to install software and have data local to a single device – whether it is a PC or a phone.

If you've ever lost a phone, you'll remember the panic of "oh no my pictures", "will someone be able to use my payments", "have I backed up?". So, moving data and apps to the cloud makes ultimate sense, and many of us have moved to streaming services rather than own music or films anyway.

Any app, like banking, that doesn't specifically require access to hardware capabilities will move to the cloud. This would mean no more app updates, running out of app storage space, paying apps stores or concerns about people stealing your phones and accessing your personal data.

Of course, there are limitations such as apps that need access to capabilities that only available on the phone, and we know phone capabilities are increasingly every year. The latest iPhone includes Lidar (Light Detection and Ranging; a topic for another post) which will only be accessible to apps.

I'm not saying that all apps are dead, but I am saying that jumping on the "app bandwagon" is not cool anymore. Just as with apps, cloud-based solutions offer very strong advantages. Improvements in web UX technologies and bandwidth mean that companies need to be more judicious about their choice of technology for creating apps.

Before the mobile developers start printing dart board pictures of me, I should say I wrote about the end of Adobe Flash before Steve Jobs canned it from the iPhone… I'm just saying…

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.

INTERVIEW

Engage, empower and advance

By Sharon Kimathi, editor, FintechFutures

It is no secret that Black people are underrepresented in the financial services industry, especially in the venture capital (VC) sector.

The UK non-profit group, Diversity VC, found that 76% of respondents to its 2019 survey were white, which compares with 59% of the London population. The UK's Investment Association noted last year that Black people make up less than 1% of the VC industry, compared with 3% of the overall population in England and Wales, and 13% in London.

Additionally, 73% of Black-owned businesses had a higher than average risk rating in the UK, according to a 2016 survey commissioned by UK Finance (the British Bankers' Association) and research firm BDRC Continental. This is compared with 47% of small and medium-sized enterprises (SMEs) as a whole.

According to a 2017 Diversity in Innovation study by Harvard Business school, African Americans represented less than 1% of entrepreneurial and venture capital labour in the US. "When the fraction of the entrepreneurial pool (educational, training, and work-experience typical in this sector) for women, African Americans, and Hispanics is compared to the observed venture capital and founder participation of these groups, each group has meaningfully and persistently lower representation than would seem appropriate given their proportions of those with requisite backgrounds to enter the sectors," notes the paper.

Although the paper was written three years ago, the statistics today remain the same. BLCK VC, a non-profit organisation based in the US, aims to bridge that gap. The group conducted a study showing that 81% of VC funds have no Black investors.

Co-founder of BLCK VC and Storm Ventures associate, Frederik Groce, is on a mission to change that. Groce launched BLCK VC, with the goal of turning 200 Black investors into 400 Black investors by 2024. Groce talks to *FinTech Futures* about the structural issues at hand that prohibits investments into Black-led start-ups and challenges that Black VCs face when attempting to enter the community.

What made you get into venture capital?

I'd characterise myself as one of those "accidental" venture capitalists. I really hadn't heard of the field through most of my life and it really wasn't until I ran some of the incubator/accelerator efforts at Stanford University where I truly learned about the industry. I always thought I'd go to a top school (went to Stanford), study political science (I did), and then go to law school. But along the way, I had the good fortune of getting a taste of the business world. After getting a taste of it, I really enjoyed it and became curious around the business of tech and how a company like Google came into being. It was this curiosity that took me down the path to venture capital.

"Access isn't equal in a country where wealth inequality is extremely rampant. The average Black household has ten times less wealth than the average White family in the US."

Frederik Grose, BLCK VC & Storm Ventures

Are there any specific observations or changes in behaviour you've seen in financial services since the coronavirus pandemic and brutal murders of George Floyd/ Breonna Taylor in the States?

I am seeing more organisations willing to engage in conversations around race and ethnicity and the institutional barriers that currently exist that prevent particularly Black individuals from breaking into financial industries, benefit from financial instruments, and succeed in the business world more broadly.

I characterise this as an evolution away from the "I'm not individually racist, ergo the things I do and the things around me aren't racist or promoting racism", to a mindset of being "anti-racist, and reflecting on how there are structural advantages built into the very systems that business and finance are built upon".

Here in venture capital, you need look no further than the reliance on the "friends and family round" to see how there are structural elements to our industry that drive towards unequal access for great talent. It is a great myth that we have a purely meritocratic system – it's meritocratic only if you graduated from Stanford or an Ivy league school, then worked at a major company and decided to be a founder. Yet this ignores the very structural things in society that prevent access to those educational pathways.

One's ability to drive incredible change, invent great businesses, and observe the needs of society, individuals, or businesses alike have little to do with the academic pedigree, and much more to do with one's ability to analyse the needs and build a product that has product market fit. But to do that, you need a network that is willing to have faith in you and give you launch capital. Certainly, access isn't equal in a country where wealth inequality is extremely rampant. The average Black household has ten times less wealth than the average White family in the US. That means ten times fewer abilities to fund great ideas.

Black founders often find it difficult to get really early funding for their businesses due to discrimination within the banking industry (when obtaining business loans).

How can Black-led businesses thrive and continue the race towards success if they are blocked on the first hurdle? Does this need government/ top-down intervention, or can the financial services industry overcome this on its own?

They cannot thrive without capital because without capital, you cannot compete in the markets today. This situation needs both private and public efforts and focus to solve. We as an industry need to do more at every level, and yes, governments need to be creating cheaper loan options to help stimulate new business development in communities of colour.

What areas do you see Black founders focusing on the most? Is there a trend or not really?
I see that investors tend to prefer to invest in Black founders going after consumer opportunities. This itself is problematic but stems from the perception of Black people being at the centre of American culture.

What amount of investment goes to Black founders in the VC sector in general?
Venture capital distributes only 3% of funding to Black founders (of that, less than 1% goes to Black female founders).

Also, we did our own survey to find that only 3% of investors in the US are Black. Out of 638 firms with more than seven investors, almost 90% didn't have a single Black investor and only 15 had more than one.

There's been a lot of discourse around Black VCs and other ethnically diverse VCs finding it difficult to enter the market and feel welcomed. What has your experience been? Any instances that come to mind to highlight on your journey?
It's very difficult because there are not the same level of deep network ties into the VC community coming from the Black community. VC is all about having a warm intro into the firm, whether that be as a founder or as someone hoping to break into the industry. This dynamic makes getting a role very challenging. Nothing is stronger than having a VC partner introduce you to another partner saying you're looking for a role – that dynamic is hard to create when there is limited access for a community. My experience breaking into the industry was made infinitely easier because I attended Stanford and Stanford has a large alumni network in VC. That being said, that cannot and shouldn't be the criteria for entering into an industry.

Did those instances prompt you to start BLCK VC, and how is BLCK VC doing in terms of connecting black VCs?
Yes! It's doing great! Over the last three years we've become the largest Black venture organisation in the US with chapters in San Francisco, Los Angeles, Chicago, New York, Washington DC, and Atlanta.


The BLCK VC team

"Over the last three years BLCK VC has become the largest Black venture organisation in the US with chapters in San Francisco, Los Angeles, Chicago, New York, Washington DC, and Atlanta."

Frederik Grose, BLCK VC & Storm Ventures

Women in the industry are also finding it hard to navigate around the white-male patriarchal VC culture. What can men do to make it better? Can women ever thrive in the industry without male allyship?
Men can listen and utilise their male privilege to create opportunities for women at every step of the way. This is why we partner closely with organisations like All Raise. We all benefit from allyship.

It is even more difficult for women of colour. Recently, Syndey Paige Thomas at Precursor Ventures, wrote a post about how Black women are treated unfairly in the VC sector. "Black women have only received a general partner (GP) title if they have started their own funds. This is unsustainable. Partly because, given the wealth inequality in the US, Black women generally have 10x less capital themselves and generally less access to capital than their white male peers. So why have I yet to see one large VC firms sponsor a Black woman's promotion to GP?".

What advice can you give to someone in her scenario? Do you think it reflects poorly on the sector to young Black women aspiring to flourish in this industry? How can it change?
We just need to do better. There is incredible talent both within the industry ready to be promoted to partner or to be given the reigns of a venture fund, there is also incredible talent trying to break into VC at the partner level.

The issue here is that we don't see Black men or women breaking into partnership roles from within tech, though we see it happen all the time for other groups. This must change, and it is simply put, a choice on whether we want to make a change or not. Black women have it harder than any group in my observation when it comes to making inroads in venture capital and tech entrepreneurship.

The growth springboard for your bank

By Vijay Kasturi, BU head, Europe at Profinch Solutions, and Sanjiv Roy, vice president, solutions head at Coforge

A lot has changed. And no, we are not referring to just the pandemic. This roots back to much before that, way back in 2008-2009, when the subprime crisis first hit banks. The recovery, more than a decade later, is still a work in progress. What has ensued is a slow recovery for banks with reduced fee incomes and lower net interest margins. And if this were not enough, enter the current pandemic, resulting in a double blow.

Amidst all that is changing with banks, over the years there's been a sea change in consumer behavior and their interaction with banks. Technology has played a key role in ensuring banking isn't as tedious as it was earlier. The inception, and the algorithmic rise of internet banking, mobile banking, and the way the focus has moved from what banks can do to what customers want has helped banks somewhat create a competitive edge. However, it hasn't been easy for banks, as the mushrooming of fintechs is threatening banks with innovative products that take less than half the time to process, making the lives of consumers a breeze.

Today, banks are finding it hard to manage customer loyalties as the commoditisation of banking products is making it difficult to drive differentiation, and thus making it all the more difficult to create a niche for themselves. Banks are yet to do a lot of catching up with fintechs in the innovation game.

So, is technology the only savior? A digital overdrive, of which enough has been spoken, isn't always successful. According to the World Economic Forum (WEF), only 1% of digital transformation initiatives have met their goals. And as highlighted in a recent Celent report, the problem's got to do with the narrow focus banks have on technologies that are only focusing on the front-end.

Banks today carry a huge baggage of legacy systems, some of them being 10-15 years old, that are just adding to costs. Celent IT spending data shows, as much as 67% of IT spending is on maintenance alone. What is even more telling is that 16-30% of overall spending, and up to half of maintenance spend, is dedicated to the core platform.

Core platforms need to undergo a fundamental change – to one that is agile, connected, and offers flexibility to adapt and innovate depending on the changing business landscape. And for banks, the game's over on being uptight and using traditional technology approaches. Accepting and embracing innovative technologies that speed up time to market will create the definitive edge, going forward.

ORACLE FLEXCUBE UNIVERSAL BANKING

Some 10% of the world's banked population possess an account powered by Oracle Flexcube. In Europe alone, more than 150 banks spread across 42 countries run on Flexcube. Oracle Flexcube offers banks a digital, shrink-wrapped, preconfigured, interoperable, scalable, and connected experience, helping them stay competitive, drive innovation, and ensure customer service is taken notches up. With Oracle Flexcube, banks have a forward-looking system that helps them with:

- **Digital enablement** – Banks can transform the way they understand customers, improve onboarding experience for a customer or a product, and service customers more effectively. Oracle Flexcube equips bankers with the insights and features to deepen customer relationships and drive higher revenue.
  - **Machine learning (ML) and natural language processing (NLP):** Oracle Flexcube's embedded Machine Learning Framework enables a bank to unlock the true potential of data and drive competitive advantages. The framework's capabilities enable better predictability and enhanced insights. Oracle Flexcube's embedded Natural Language Processing Framework enables a bank to drive intelligent automation.
- **Multidimensional agility** – Oracle Flexcube is architected to support multiple deployment options and transformation strategies in a heterogeneous environment, according to the specific requirements of a bank. Banks can now jump-start digital initiatives with a pre-baked and shrink-wrapped solution designed to work off-the-shelf with comprehensive capabilities across all banking functions.

> "Banks today carry a huge baggage of legacy systems, some of them being 10-15 years old, that are just adding to costs… as much as 67% of IT spending is on maintenance alone."
>
> Vijay Kasturi, Profinch Solutions and Sanjiv Roy, Coforge

- **Enhanced connectivity** – Oracle Flexcube offers banks a full range of capabilities to participate and profit from open banking. The solution enables banks to collaborate with third party service providers seamlessly and securely, while defining and remaining in control of the ecosystem a bank chooses to operate in. Built for the heterogeneous enterprise, Oracle Flexcube's connected architecture enables seamless and secure integration and information exchange with other banks, industry platforms, marketplaces, and ecosystems using the industrialised standards of ISO 20022, SAML 2.0 and common integration frameworks to drive better collaboration and participation in connected ecosystems. The solution also enables simplified, pervasive, and secure assimilation of information across Oracle and non-Oracle applications in the bank.

Oracle Flexcube's in-built library of 2000+ RESTful services provide a platform that promotes an industrialisation of API consumption and fuels the co-creation of applications and services around the bank. Additionally, the solution helps banks innovate much faster, provide service ubiquity and better compliance with regulations such as the Second European Union Payment Services Directive (PSD2) and the UK's Open Banking standards.

  - **Blockchain:** The system is embedded with a patented blockchain adapter that enables Oracle Flexcube to interface with any blockchain system.

ORACLE FLEXCUBE ON ORACLE CLOUD INFRASTRUCTURE

Oracle Flexcube on Oracle Cloud infrastructure is a true game changer. Oracle Flexcube customers benefit not only from rapid deployment (few weeks), but they can also employ exclusive Oracle Cloud products such as Exadata Cloud, Database RAC, and Autonomous Database, designed for unmatched performance, reliability, and autonomous operations. Banks can use Oracle Cloud's global footprint and validated reference architectures to ensure data sovereignty, disaster recovery, and enhanced availability, improving the user experience tremendously.

Banks will realise an immediate positive impact on their EBITDA by transitioning to a lower-cost, consumption-based operating model. Customers can save money, even while scaling up infrastructure further than on-premises to handle greater business demand and scaling down infrastructure during quieter periods.

Oracle understands the importance of quality support and business continuity for enterprises. Having Oracle applications on Oracle Cloud infrastructure ensures engineering alignment that's crucial for quick diagnosis and resolution of all issues – hardware, application, and network – mitigating the risk of business interruptions.

Banks across regions have been benefitting using Oracle Flexcube on Oracle Cloud infrastructure. A case in point being a leading banking customer of Profinch Solutions in Libya that went live recently where the bank is benefitting by having greater flexibility, efficiency, and a faster time to market.

COFORGE AND PROFINCH SOLUTIONS PARTNERSHIP IN EUROPE

The joining of hands by technology giant Coforge and banking technology specialist Profinch Solutions means banks now can rely on a strategic partner with cumulative experience of working on more than 100 Oracle Flexcube projects. With proven methodologies, scripts, and varied experience across banking functions and technology areas, we have the right mix to make banks successful and support in their long-term technology objectives.

Things are looking up

By Ruby Hinchliffe, reporter, FinTech Futures

Barclays has received 198 applications from Black founders for its most recent technology accelerator, which kicked off on 12 November.

The accelerator's head, Natalie Ojevah, tells *FinTech Futures* exclusively that the volume has "exceeded" all her expectations. "It's absolutely amazing," says Ojevah. "It shows the strength of why we need these programmes."

Applications closed on 29 October, and the last interview took place on 3 November. The bank notified the successful 25 applicants on 5 November.

Ojevah says the other 173 applicants – if they permit their data to be shared – will receive support from the other programmes led by Barclays Eagle Labs, which offer mentorship and help with fundraising.

"We want to make sure the businesses get that 1:1 support," she explains. "Time and time again, less access to mentoring and a wider network is cited as a challenge by Black entrepreneurs. And with this number, the start-ups will also have far more developmental time."

THE ACCELERATOR'S FOCUS

Barclays' latest accelerator effort has a very broad focus. Whilst fintechs will be a part of it – Ojevah confirms a "fair few" but doesn't quantify it – the criteria stretch further than this sector alone. "They have to have a minimal viable proposition, it has to be tech-based, and they have to have at least one Black founder on their c-suite board," she explains.

"We're not necessarily looking at founders that are ready to scale in and demo. We want to be able to develop the businesses and really support that early stage in the founder start-up journey."

Based on interviews, there is a real split between business-to-consumer (B2C) and business-to-business (B2B) propositions. "To me, this shows that there are Black founders in each of these sectors," says Ojevah.

Barclays has partnered with Foundervine – with which the bank has a multi-year relationship – to run the 12-week-long accelerator. The CEO, Izzy Obeng, is a Black woman, and Ojevah says a majority of the programme managers in the Foundervine team are Black too.

But she also points out the importance of allies on the programme. "I completely appreciate we need to see Black people in the limelight. But we need to make sure that we are matching these businesses up with experts. That's why there's a mix of mentors."

I ASKED FOR THIS, NOT THE BANK

Ojevah is an ecosystem manager for Notting Hill Gate-based Eagle Labs, Barclay's co-working site. She runs the lawtech division, which partners with the likes of University College London and Baker McKenzie.

Asked why Barclays chose now to run the accelerator, Ojevah makes it clear it was her idea, and that she wasn't assigned it alongside her day job. "I went to Barclays," she says. "The bank didn't pull me into it."

Natalie Ojevah: "We want to make sure the businesses get that 1:1 support"

Ojevah has worked at the bank for more than eight years. In the last four years, she's worked with businesses through Eagle Labs. "I noticed a lack of diversity in some of the spaces we we're in [as a bank]," she explains. "I went to my managing director and I ran the first Black History Month (BHM) event in Eagle Labs last year. But I recognised there was more that we could do, and my employer completely backed me."

At the beginning of 2020, Ojevah did her research. She found that in the UK, specifically, there weren't enough statistics on Black founders. "There's lots in the US, but none in the UK. In the last few months, more statistics have come out which back this programme."

Before this data started emerging, Ojevah had to make a business case for the accelerator with very little data-led research. Some ten months later, her 198-application turnout is likely going down as another statistic to support her argument for focusing on the UK's Black tech founder community.

At the beginning of this month, Extend Ventures released a report which estimated under 1% of venture capital (VC) investment in the UK went to Black entrepreneurs in the last ten years. This percentage aligns with research from VC firm Atomico published late last year. The report revealed founders who identified as Black, African or Caribbean secured 0.5% of external capital from European investors.

At the beginning of July, following the protests over the murders of George Floyd and Breanna Taylor, Black founders wrote an open letter to the British and European VC industry. "While companies and industries across the UK have recognised the prevalence of systemic racism and issued calls for reform, the VC industry has mostly been silent," the letter read.

FEEDBACK FROM BLACK FOUNDERS

Whilst Ojevah can't comment on the commercial VC industry, she does share some of the insights Barclays has gained through her interviews with Black founders. "It's difficult when you don't have the [Black] presence there in an industry," she says, using sickle cell as an example.

"It's quite a big thing in Black and Asian communities. There's a lot of work being

"It's not just about boosting Black employee numbers, it's also about highlighting the ones already in the bank."

Natalie Ojevah, Barclays

done by a lot of really cool founders and entrepreneurs, creating ways to identify it, and combat it. But I think it's difficult to understand what software and platforms are out there to support people, if you don't have that representation [of people] looking to invest."

Both VC and crowdfunding communities are predominantly white in Europe. Some 84% of VC employees in Europe are white, according to Diversity VC 2019 research. And yet, the more diverse an investment firm, the higher its performance. According to Gompers & Kovvali 2018 research, the success rate of acquisitions and initial public offerings (IPOs) in VC portfolio companies was 22.0% higher for those from ethnically diverse backgrounds.

As for the crowdfunding space, Marian Arafiena, and her sister, Anita Egbune, recently founded Rise FundNGO, a crowdfunding platform for Black-owned businesses. "The mainstream won't know we're there if our voices are not in the room," Egbune told The Guardian last month.

This speaks to what Black founders have told Ojevah. "They felt like they're the only person in the room. They felt that the other people might not understand where they're coming from, because of that cultural difference. "You need that [investor] board to be able to support diverse businesses."

BARCLAYS' EFFORT AS A BANK

Barclays – alongside 40 other firms – committed to a Race at Work charter midway through this year. The charter sees the bank pledge to recruit more Black employees and hold recruiters accountable for presenting diverse shortlists. Barclays is yet to publish figures on the number of Black employees it houses. Rival UK high street banks – HSBC, Lloyds and NatWest – have all published percentages on this in 2020.

HSBC revealed at the end of last month that less than 1% of its senior employees are Black. Lloyds said in July that 1.5% of its total workforce and 0.6% of its senior management are Black. And NatWest announced it's aiming to boost Black representation in senior UK management positions to 3%, from 1%, by 2025.

Whilst Barclays is yet to release its current employee figures or targets, Ojevah still attests to the bank's activity in this area behind the scenes. "I sit on the Black professional forum for Barclays UK," she says. "And it's not just about boosting Black employee numbers, it's also about highlighting the ones already in the bank. Sometimes it can be difficult to highlight where we see inspiring talent. So, there's been a bunch of work happening internally since last year."

Ojevah says the bank's BHM this year was "one of the most amazing ones since I've worked here". "It was so empowering," she says. "Though this year has been difficult with COVID-19, I do feel positive about tangible changes now. I don't think five or six years ago you would have heard of a bank forming a Black founder accelerator."

The accelerator will continue until February. The bank is yet to publicise the list of successful fintechs. *FinTech Futures* will publish the list once it is released.

A banker goes a-banking: why can't we be friends?

By Leda Glyptis

Oh HSBC… why can't we just be friends?

A few weeks ago, I got a call from my "new relationship manager" for my HSBC expat account.

That was rather exciting for me as I didn't know I had an old relationship manager (if he/she existed they never called, and I bet you my new one wishes he'd done the same…).

Also, I most definitely have not come up in the world as I have a small savings account with the bank that hasn't seen action in a few years.

No matter. He is here. He is new. He called.

I missed the call though and I emailed back suggesting we schedule a call as I tend to spend my hours on calls, in meetings, working to deadlines that chequerboard my day in a way that means I never take an unscheduled call unless it's from my mother and that's only because she never calls unless the world is on fire.

But I digress.

Ask me how long it took for the man to actually schedule a call rather than try his luck?

Weeks. Yes, weeks.

But the scheduled time came. He called. We spoke.

I gave my views on the service I had received to-date (poor) and the use I was making of the expat services (limited). I explained I was no longer an expat so… you know…

And then the fun began.

"Are you considering leaving again?" he asked. "Not at the moment," I replied.

"Was Doha your first time abroad?" he asked. "Technically, the UK is abroad," I joked.

"Oh," he said. Oh? You have my passport on file. "I am sure we do," he said.

Now. I am 99% sure this was shoddy client management rather than phishing. But. It's not good either way.

And then it got better.

"I will need to ask you some security questions," he said. "No, I don't think so," I said. "This is how we do it," he said.

Oh, I am sure it is. But. As every consumer protection directive out of the FCA will tell you, a customer should not divulge security information if the service provider has phoned them and have no way of identifying the true identity of the caller.

As you seem to not have access to my passport, you are either not who you say you are… or unprepared for this call. Either way, you should have verified who I am by now, because I have mentioned what accounts I have with you and when I joined, in our conversation.

"This is how we do things," he said. He was not loving his job at that moment.

But I was only getting started. Because that's when I got annoyed.

This being what, I ask… ignoring FCA directives, coming to calls unprepared or both?

"I don't know about the FCA directives," says my relationship manager. "This is how WE do things."

How much is wrong with this one statement? How much of this is banal and infuriating in equal measure?

And then he makes it better.

"We are HSBC, we wouldn't do that kind of thing."

It is impolite to point out someone has spinach stuck to their teeth during dinner, but you do know you've been all over the news recently right?

"Yes, but it wasn't me." Always a mature response, I find. So, I thought I would make it easier for him.

I said, look Bob (it was not Bob, but I will spare him the publicity on this one). Right now, your job is not to lecture me

> "'That's how we always do things,' says Bob in mounting desperation. 'I don't understand why this is a problem now.'"
>
> Leda Glyptis

on your internal processes (which he tried to do) or get on with the task at hand (which he also tried to do) but to give me comfort.

"And why would there be discomfort?"

Why indeed.

Because you didn't seem to have basic know your customer (KYC) data or decided you didn't need to prepare and because you are dismissive of privacy and security considerations and concerns raised by your client, not to mention your regulator, and if nothing else this is terrible client management so I need someone in your chain of command to give me comfort that my assets (such as they are) and my data is securely held despite your performance today.

"Well," he said. "I can get my manager to call you, but it won't be today. He just came back from a two-week holiday and he has a lot of important things to do."

And a customer questioning the integrity of your compliance as well as the quality of your service is not on that list?

"Just saying," Bob says, "it will not be today." Of course not.

It's been years of banks hiding behind their processes as if that is an answer. This is not new and therefore not urgent.

"That's how we always do things," says Bob in mounting desperation. "I don't understand why this is a problem now."

And that exactly is the problem, Bob. It's always been a problem. And it still is.

You and your colleagues across high street banks got away with it. Or rather, the banks got away with it. Because, the truth is, Bob and all the Bobs in the world are poorly trained and under-equipped for the job at hand. They have no choice but to do it badly. They just don't know that is what is happening because most customers are less informed than them and have lower expectations than me. Both hard to achieve. And yet.

Plus, I am sure I made him feel bad by the end of the call. And I didn't mean to. And doing so achieves nothing.

But "the way we've always done this" and "this is how it is" responses, not to mention the "you've been told by your betters so why are you kicking off" attitude was never ok. And it is no longer viable.

And yet. Here they are. Here Bob is. And his boss is yet to call me.

So, you tell me, what 15 years of digitisation, modernisation and innovation have gotten us from the consumer's point of view? Because it's not looking great from where I stand today.

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.

Feeding off the retail buzz

Banks must empower SME clients with more than a repackaged retail account, say panellists in a *FinTech Futures* webinar with Torry Harris Integration Solutions.

Banks have traditionally failed to cater to customers in the small and medium sized enterprises (SMEs) segment. This is often because banks incorrectly offer repacked retail products.

"Once you strip back a lot of the functionality in retail banking it's more about experience than solving issues," says Laurence Kriger, COO at UK SME bank Tide.

Krieger spoke on a webinar conducted by *FinTech Futures* and Torry Harris Integration Solutions (THIS).

"A lot of the buzz and a lot of the hype has been in the retail space. There are very large numbers you can get in that sector and clearly there is a lot of activity there.

"What excited me about working for Tide and what excites me about working with SMEs is that we're solving real issues and pain points.

"SMEs have been underserved and in the past banks have rebadged the retail product for SMEs, and maybe adapted a little for their corporate customers.

"The reason why it is often underserved as a market is that SME can often mean so many different things. It's an incredibly complex and diverse market. A hairdresser is different to an IT consulting firm.

"A business will go through an evolutionary lifecycle. It may start as a one-man band, grow to 500 employees and still fit under the SME umbrella."

A 2019 survey from Fraedom revealed that 95% of businesses would prefer their bank offered consistent digital services like those available to retail customers.

Karthik T.S, head of the centre of excellence at THIS, believes that the opportunities for SMEs are "now greater than ever before".

He adds: "Traditionally they have relied on physical contact and a known environment for their business.

"Considering what's going on in the world now [the COVID-19 pandemic] this has been jeopardised. Many are also facing economic constraints. SMEs need a new way to reach out to customers and they need a way to offer services that is not their own. They need empowerment.

"SMEs have traditionally been reluctant to invest in anything that has long-term payback. They need solutions right here and right now. That provides ample opportunities for the banks."

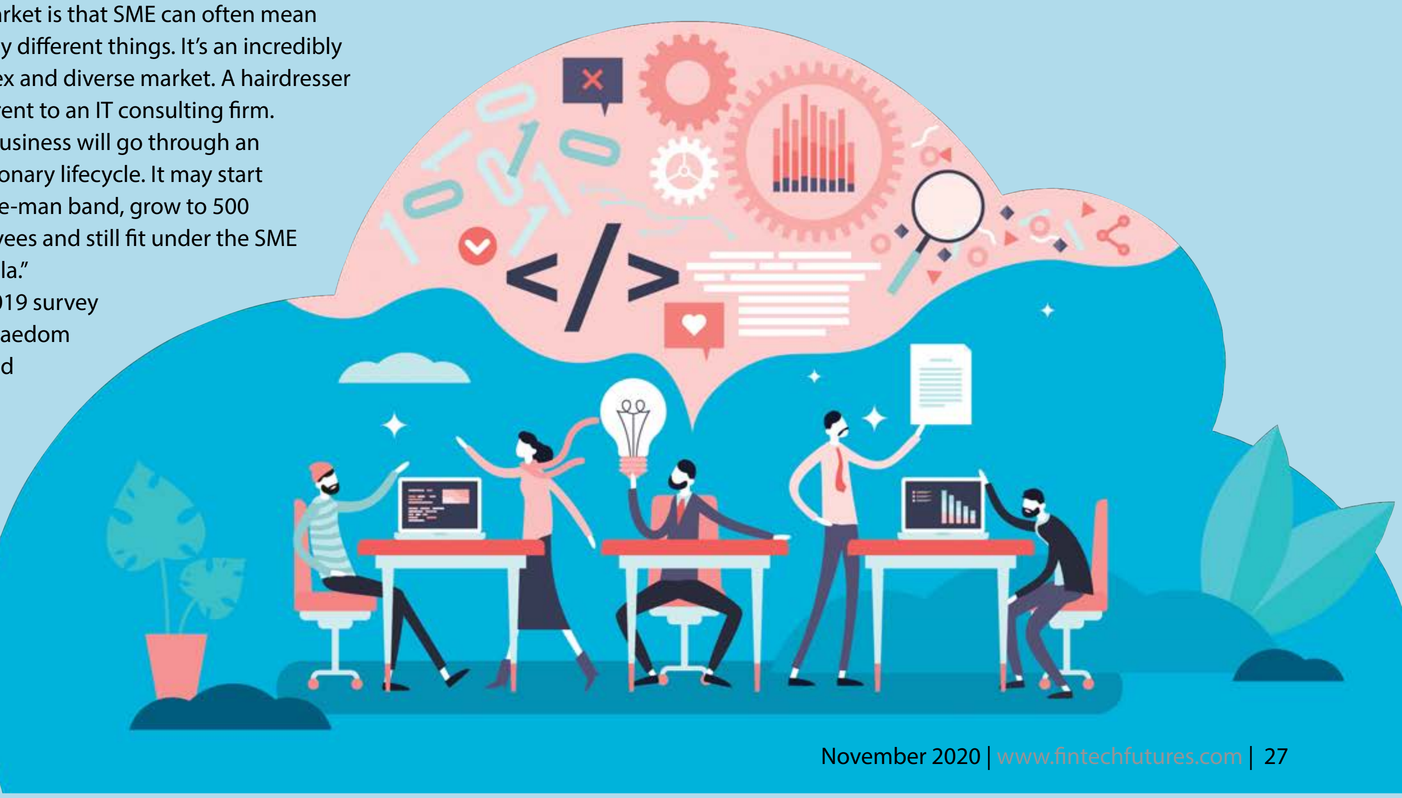
Karthik says banks can empower their SME with IT services and products that are combined with the core financial offering. It's not just about a loan or credit advice.

"SMEs have a need to expose their inventory for consumption, and this could be supported by a bank through the provision of tools to enable them to access the market. This could be done internally or through the use of a third-party provider.

"Banks can also provide an introductory service, connecting their SME clients with potential customers outside of their sphere of influence.

"More importantly, banks could provide engagement services to uplift the digital skills of the SME clients to help them deal with an increasingly digitalised world."

FinTech Futures and Torry Harris Integration Solutions recently held a free webinar,* Empowering your SME customers for the new digital normal, *available on demand now. Go to www.fintechfutures.com/type/webinars to listen to the webinar



INVESTMENT & FUNDING

FINTECH FUNDING ROUND-UP

PrimaryBid, a UK-based fintech which connects individual investors with public companies raising capital, has landed $50 million of its own capital in a Series B round.

New investors comprise London Stock Exchange Group (LSE), ABN AMRO Ventures, Crowdcube-backer Draper Esprit, Shopify- backer OMERS Ventures, and Fidelity International Strategic Ventures.

Existing shareholders, Pentech and Outward Ventures, also participated in the round.

The fresh funding will go towards "key senior hires" and "technology investments", preparing it for growth internationally.

UK-based fintech, **Curve**, a platform that lets users consolidate all their bank cards into a single card and app, is raising £76 million.

Curve is likely to close this round, led by existing shareholder IDC Ventures, at the end of November. The planned fundraise – initially expected in August – was rumoured to be a larger £100 million to £120 million.

Curve's fundraise is not expected to give it a unicorn valuation (a value in excess of $1 billion).

This is likely true, as Curve raised its Series B in July 2019 at a valuation of just $250 million.

Market sources noted that Curve will use the funding for international expansion. The start-up is currently rolling out its services in France, Germany, Italy, Poland, Portugal and Spain.

It has also opened an office in the US but is yet to launch for US customers.

Starling Bank is raising a new £200 million round as its as its founder and CEO, Anne Boden, sets her sights on an initial public offering (IPO).

According to an exclusive TechCrunch report, the challenger bank has hired independent financial advisory group, Rothschild. "I've got my sights on an IPO. I'd very much like to do that," says Boden.

The draw for private equity investors – which TechCrunch says are already showing interest – is Starling's projected roadmap to profitability.

The founder claims to still be on track for profitability by Christmas. The challenger has raised roughly £363 million to date.

Invoicing platform, **FundThrough**, has raised $50 million in new investment from Northleaf Capital Partners.

Using the new cash, FundThrough plans to serve more small and medium-sized enterprises (SMEs) in the US and Canada.

Based in Toronto, it aims to enable instant payment to SMEs and eliminate "the wait" associated with customer payment terms.

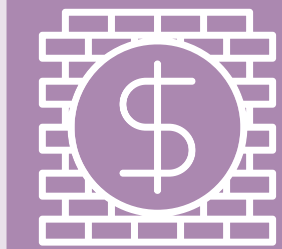
The $50 million is FundThrough's fifth funding round. The firm has raised a total of $92 million since its establishment in 2014.

It last raised a $19 million debt financing round from Canadian merchant bank Intercap in 2018.

Alkami Technology, a cloud-based digital banking systems provider, has closed a $140 million venture funding round, increasing its total raised to $378.5 million.

The round was led by D1 Capital Partners, with participation from existing investor Fidelity Management & Research Company, Franklin Templeton, and Stockbridge Investors. Goldman Sachs served as the placement agent.

The Texas-based fintech has completed a funding round almost every year since its 2009 founding. In 2019, it raised $55 million, and in 2018 it raked in $70 million.



Hong Kong-based financial infrastructure firm, **Airwallex**, has raised $40 million as it closed its extended Series D funding round.

The round was led by Square Peg Capital, with participation from Skip Capital. Other key investors in the company include DST Global, Salesforce Ventures, and Tencent Holdings.

It achieved unicorn status in March 2019 when it raised $100 million in a Series C.

The extra injection brings the total raised by the firm this year to $200 million. Airwallex has raised $402 million since its founding in 2015.

Airwallex says that the funds its raised will go towards investment in building its products and expanding into "key" areas. These include Asia Pacific and Europe.

The firm is also aiming to branch its payments coverage out into the Middle East, Eastern Europe and Africa.

Snoop, an app founded by ex-Virgin Money execs to save consumers money on their bills, has landed over £10 million on Seedrs.

The start-up, which is headed up by former Virgin Money CEO, Dame Jayne-Anne Gadhia, began crowdfunding in September. Towards the end of its campaign, it launched a 20% discount for investors.

The initial target was £5 million. One of the investors is the UK government's Future Fund, which matched the round and hence makes up half of the total.

The fresh funding follows a £3 million investment from Travelex's founder Sir Lloyd Dorfman in April.

Existing investors Havisham Group and Salesforce Ventures also participated in the Travelex-led round, which came to £3.2 million.

Total raised to date by the start-up is £19 million.

Lunar, a Nordic neobank with offices across Denmark, Sweden and Norway, has landed a $47 million Series C.

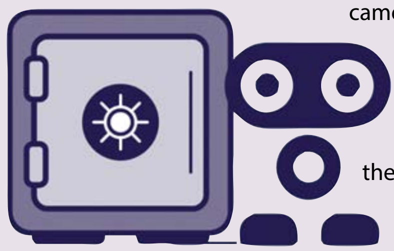
The round arrives just seven months after its €20 million Series B extension in April. The bank's Series B totalled €46 million.

The round included equity from long-term owner, Christian Augustinus Industries, which is a former Danish tobacco company turned investment firm.

Private investors, Alan Howard and Klaus Østergaard, both from Brevan Howard Asset Management, also joined the round.

The start-up, whose board of directors is home to Monzo's former product head, Ole Mahrt, claims to be the only cloud-based digital bank armed with a banking licence in the Nordics.

Lunar will use the fresh capital to flesh out its offering for smaller businesses, as well as its credit products for the consumers.



GoCardless – a fintech which helps companies process recurring payments – is raising another £100 million.

Business Insider reported that the fintech's round is likely to close at the end of November.

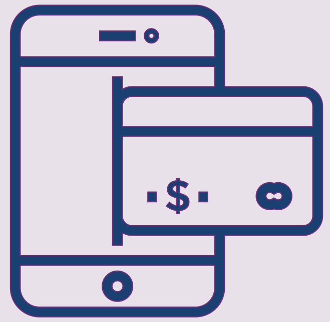
According to the publication, GoCardless is also still out of reach of unicorn status. Its post-money valuation of could be $800 million, all the way up to $950 million.

Sources say the investment is being led by Boston-based finance giant Bain's venture arm, Bain Capital Ventures.

Existing GoCardless investors include Accel, Salesforce Ventures, GV, and Balderton Capital.

Present in some 30 countries, GoCardless processes some $15 billion annually in recurring payments.

It is building out its presence in Australia, where it is readying for open banking and instant direct debit regulations to kick in. Other offices span the UK, France, Germany and the US.



Fast, a San Francisco-based checkout solution provider, is raising fresh capital at as much as a $1 billion valuation just one year after closing its seed round.

According to The Information, the Stripe-backed fintech is looking to raise between $50 million and $200 million in the round.

A year ago, the fintech raised just $2.5 million. it's been seven months since its $20 million Series A closed, which was led by $35 billion-valued payments giant Stripe.

Fast's valuation after this Series A round was just $180 million. The start-up, which was founded in March 2019, only launched its core product in September.

Its earliest investors include Index Ventures and Kleiner Perkins.

MOVERS AND SHAKERS


Benoît Legrand

ING is merging all its innovation arms into one new entity – ING Neo. The Dutch bank will wind down **ING Ventures** and its current CEO, **Benoît Legrand**, will be stepping down in December for another – as of yet unidentified – role at the bank.

Legrand has led ING Ventures for the last five years. The division has had a big role in the bank's reputation as a leading innovator in Europe.

Under Legrand, ING Ventures established a €300 million fund. It currently holds more than 30 investments in fintechs such as WeLab, Fintonic and Cobase.

Open banking firm **Truelayer** has appointed former Amazon and American Express executive, **Ossama Soliman**, as its first chief product officer. Soliman will "define and manage" product strategy and development across Truelayer's product, engineering, and design teams.

He spent eight years at American Express, leaving as director of product management in 2016.

From there, he joined Amazon as head of product for business-to-business (B2B) lending. He spent a total of four years at the Big Tech and left in September to join TrueLayer.

UK Finance has announced the appointment of **David Postings** as its new CEO. His hiring follows a "rigorous recruitment process" and has the "unanimous" support of the UK Finance board.

Postings will take up his position on 1 January 2021. UK Finance executive chairman, Bob Wigley, will sit at the head of the industry body until that date.

Wigley says Postings will bring "wide and deep experience of our sector" and "a real understanding of the vital role our members play in supporting [business] and consumers across the UK".

The new CEO has more than 40 years' experience in the financial services sector. He worked at Barclays for 25 years between 1978 and 2004. He also spent time as a managing director at Lloyds Bank between 2004 and 2007.

Prior to his appointment at UK Finance, Postings was global chief executive for Bibby Financial Services, an invoice finance and cashflow firm.

The appointment of Postings comes after the previous CEO, Stephen Jones, stepped down in June, when comments he had made in 2008 about financier Amanda Staveley came to light.

Barclays has appointed **Taalib Shaah** as its new group chief risk officer (CRO). Shaah joins the bank's executive committee and will report to Jes Staley, the group CEO.

Shaah took up the role on 5 October 2020 after being the CRO for Barclays International since 2017. He joined the bank as CRO for its investment division in 2014.

Before joining Barclays, Shaah was at Citigroup, where he was CRO for market risk, real estate and treasury. He has also held positions at Credit Suisse.

FinTech Wales has named **Sarah Williams-Gardener** as its first CEO. The Starling Bank founding member and IBM veteran will lead FinTech Wales through "the next stage of its development".

FinTech Wales was launched in April 2019 by Richard Theo, the HM Treasury's FinTech Envoy for Wales.


Sarah Williams-Gardener

Williams-Gardener spent 17 years at IBM, leaving as government affairs director, in which she worked with government partners on commercial and innovation projects.

Since leaving Starling in June 2019, she has held an interim CEO role at charity Hope for Children.

Monzo is looking for a **diversity and inclusion (D&I) leader** to work within the newly formed people experience team to help make Monzo the place where anyone can do "the best work of their lives". The candidate will report to the director of people and work closely with colleagues in people development, culture and internal comms to help make Monzo more inclusive at a systemic level as it continues to grow.

The person will be a subject matter expert in D&I trends and data, with a strong focus on developing and delivering a detailed, Monzo-centric curriculum and competency programme tailored to each level of leadership in the organisation, enabled by impactful communications and learning tools.

• To see more vacancies, visit the *FinTech Futures Jobs* portal at fintechfuturesjobs.com

FINTALK OF THE TOWN

THE WONDERFUL WIZARD OF OZ

The fintech scene is no stranger to drama, so we all grabbed the popcorn for a classic "founder rivalry". Starling Bank's Anne Boden released extracts from her new book which aims to be a "tell-all" about the falling out with Monzo's Tom Blomfield. Fintech Twitterati were quick to pick at the spilt beans, as it appeared both sides had selective memories of the debacle. An anonymous ex-Monzo staffer weighed in. "Anne's book is trying to paint Tom as an aggressor and an opportunist, as if he's some sort of Wizard of Oz figure who led a whole team of people on a happy dance to a new company to spite her for no apparent reason," they say. "At no time did anyone at Monzo speak about what happened with any malice or spite. Anne does have people under legal bindings and NDAs [non-disclosure agreements]; that is definitely true. It's also well documented that when Monzo moved to Finsbury Square opposite Starling they blacked out their windows." Perhaps we should leave them to squabble away from public view: to paraphrase the wizard himself, pay no attention to the man behind the blacked-out windows!

R-E-S-P-E-C-T

A certain UK-based bank is looking for a diversity and inclusion (D&I) lead officer. Now, before you all go throwing your hats into the ring, the role requires greater context. Its former head of D&I was one of the 80 employees made redundant by the business' round of cuts. An ex-employee tells this fly on the wall that the newly advertised role is a watered down position: "It's a role that sits in a bucket with the space team and doesn't sit in senior leadership like that [previous] role did." The bank allegedly fired its head of D&I, then rang them up and offered them a new position: same title, less power, less pay! "People who are potentially interested or scouted for it keep reaching out to me asking about it... I've just been honest with people – it's a horrible place to work."

THE FIRST CUT IS THE DEEPEST

A mainstream financial publication evidently touched a nerve with the fintech sector this week. Their feature, alluding to a potential industry collapse, was always going to be "a tough sell". As one can imagine, fintech Twitter raged against the dying of the light: "The phenomenon known as "fintech" ..." <==Huh? I'm sorry, I stopped reading at that point," wrote one user. "Was this piece commissioned by Ye Olde Society of Big Banks?" queried another. "This is the sloppiest load of clickbait dribble I've read in ages," notes another. Others decided to write off the entire publication altogether, an undoubtable source of anguish for those writing copy for the monthly How to Spend It supplement.

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