



# banking technology

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

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## GET FIRED UP

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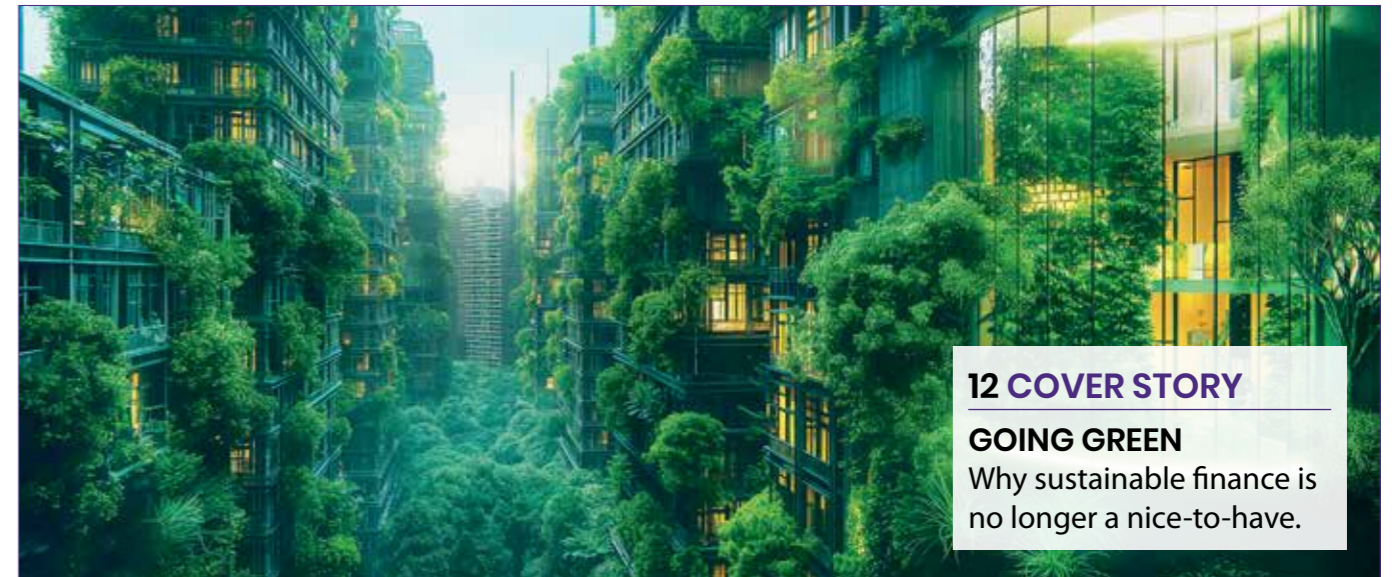
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# Banking Tech Insights: Limitless Banking

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## EDITOR'S NOTE



Tanya Andreasyan  
Editor

Welcome to the latest edition of *Banking Technology*, packed with stories on the good, the bad and the ugly of the banking technology and fintech industry worldwide.

In the UK, new digital banking hopeful Afim has received authorisation with restrictions from the regulator and entered a mobilisation stage ahead of its 2025 launch. The bank plans to offer residential and buy-to-let mortgages for Africans residing in England and Wales, and products for UK citizens and African nationals from Nigeria, Gambia, Sierra Leone and Ghana living in the UK. It also named its technology partners – software development firm Vacuumlabs and core banking software vendor Thought Machine.

Meanwhile, London-based Manigo entered administration and was promptly snapped up by PE firm Invex Ventures. Founded in 2017, Manigo enabled businesses to launch cards, accounts and payment services under their

own brand. A source told *FinTech Futures* the administration was expedited when a “big project failed, which brought everything down” and “everything happened very quickly”.

In Australia, equity crowdfunding platform Equitise has, too, entered administration after it was unable to secure fresh funding to continue operating. Founded in 2014 and backed by several VCs, Equitise enables users to invest from as little as \$50 in emerging start-ups and small businesses in Australia and New Zealand. Its notable crowdfunding projects include the 2018 raise for neobank Xinja and the 2022 raise for employee engagement solution provider Nine25.

Head over to our website [fintechfutures.com](https://fintechfutures.com) to stay up-to-date on the continuous flurry of fintech arrivals and departures as well as other notable developments, including mergers and acquisitions, leadership shake-ups, fines and much more.

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# NEWS ROUND-UP

## New digital wallet Kuady launches in Latin America



Open Payment Technologies has launched Kuady, its new digital wallet app aimed at boosting financial inclusion, in Peru, Chile, Argentina and Mexico.

The app is powered by Mambu's cloud banking platform and leverages Microsoft Azure. Mambu says that the launch has been achieved in "just under nine months".

Open Payment Technologies managing director Mario Ricciardi says that the firm is now aiming to "enter more countries in Latin America and eventually expand across Africa and Europe".

Kuady, licenced by the Isle of Man Financial Services Authority for Electronic Money Transmission Services, offers payment processing for merchants and a digital wallet for customers. The app includes instant payouts, chargeback protection and multiple deposit methods such as bank transfers, cards and cash, targeting "underserved markets where traditional banking infrastructure is limited".

## Canada's Central 1 to wind down its digital banking business

Central 1, a Vancouver-based software provider to credit unions in Canada, says it plans "to wind down its digital banking business and transition clients to one or more alternative digital banking providers".

The company's digital banking unit supplies online and mobile commercial, business and retail banking applications to credit unions and other financial institutions. The technology underpinning it is provided by Backbase. The deal was signed in 2017 and was the first one in Canada for the Dutch vendor.

Central 1, which also provides solutions for critical payments, clearing and settlement, and treasury services, says the decision to wind down the unit "follows a comprehensive strategic review of this business, concluding that the investment and innovation required to meet the needs of clients and sustain the company's digital banking offering into the future would not be sustainable over the long term".

The company is now working with clients to assist in moving to alternative solutions and expects to fully complete transitions within three to four years.

## GTBank live with new core banking system, Infosys Finacle



Nigeria-based Guaranty Trust Bank (GTBank) has gone live with a new core banking system, Finacle, supplied by Indian tech heavyweight Infosys.

GTBank is a major player in the domestic market, offering retail, wealth and corporate banking services. It also has a presence across East and West Africa and in the UK.

The new core banking system has replaced the legacy ICS Banks core from rival banking software vendor ICS Financial Systems (ICSFS).

GTBank had been a long-standing client of ICSFS and one of its largest, using ICS Banks across its African locations (Gambia, Ghana, Ivory Coast, Kenya, Liberia, Nigeria, Rwanda, Sierra Leone, Tanzania and Uganda) and in the UK.

However, last year, GTBank signed a large-scale deal with Infosys to "achieve a comprehensive transformation of its business" across the group, both domestically and internationally, according to the vendor.

The new platform, which spans retail and corporate banking solutions, is described as "superior, agile and scalable" by Segun Agbaje, group CEO of GTBank's parent, Guaranty Trust Holding Company.

The planned bank-wide digitisation and automation will also ensure "a significantly lower total cost of operations", Infosys adds.

## Canada's Koho launches in-app eSIMs, pursues banking licence



Canadian fintech Koho has incorporated a new eSIM feature into its money management app, in collaboration with Singapore-founded start-ups Boxo and Airalo, that will allow its 1.7 million users to purchase and activate eSIMs directly within its app.

Touted as an "affordable alternative" to traditional roaming fees, the offering leverages Airalo's eSIM connectivity API to provide access to 200 mobile networks worldwide, and is powered by Boxo's software development kit Miniapp.

Koho has also recently secured a \$190 million capital injection – led by existing investor Propelr Growth – comprising of \$40 million in equity and \$150 million in debt. Drive Capital, TTV and BDC supported the round, and Rockefeller Capital joined as a new investor. The raise follows the fintech's \$63 million round last year, and \$165 million Series D the year before.

Koho says the money would fund its "progress towards a Schedule 1 bank licence", among other initiatives.

## New digital wallet and POS app Payap gears up for 2025 launch

Payap, a new digital wallet and point-of-sale (POS) app powered by New Zealand-based fintech Centrapay and backed by the Bank of New Zealand (BNZ), has opened for business sign-ups ahead of its planned consumer launch in the country in March 2025.

The company says its app leverages open banking to provide businesses and consumers with "a new lower cost, contactless way to pay and get paid".

For consumers, the platform will provide a digital wallet that unifies all New Zealand bank accounts, gift cards and loyalty cards in one place, enabling users to make instant in-store payments directly from their bank accounts via QR codes, while the app's e-commerce solution also enables businesses to accept payments online.

Businesses using Payap will be able to create and manage loyalty programmes and gain greater control over transactions, discounts and refunds through a "dedicated portal", and the app's 'store finder' feature can also help boost business visibility.

At launch, Payap will offer core capabilities for payments, acceptance and rewards, with more functionalities, such as P2P payments, rolled out in 2025.

## US regulator OCC takes enforcement actions against four banks

The Office of the Comptroller of the Currency (OCC) has released its latest list of enforcement actions, with formal agreements made with four US banks.

These are Florida's Axiom Bank, Texas' First National Bank of Lake Jackson, Ohio's First National Bank of Dennison and The First National Bank of Waverly, also based in Ohio.

The OCC says it "uses enforcement actions against banks to require the board of directors and management to take timely actions to correct the deficient practices or violations identified".

In the agreement with Axiom Bank, the regulator says it found "unsafe or unsound banking practices" with respect to its Bank Secrecy Act/Anti-Money Laundering (BSA/AML) compliance programme.

For First National Bank of Lake Jackson, the OCC uncovered "unsafe or unsound practice(s), including those relating to the strategic and capital planning, liquidity risk management and interest risk management".

First National Bank of Dennison engaged in "unsafe or unsound practice(s), including those relating to board and management oversight, credit underwriting and credit administration", while the First National Bank of Waverly engaged in "unsafe or unsound practices, including those relating to strategic planning, capital planning and liquidity risk management", according to the regulator.



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

# We are proud to announce that FIS Automated Finance has been honored with two awards at the illustrious PayTech Awards USA 2024

Against strong competition, FIS® Integrated Payables prevailed in the Best Business Payments Solution Award.

While Seamus Smith, EVP, Group President, FIS Automated Finance, was recognized with the prestigious PayTech Leadership - At the Helm Award.

FIS' sophisticated and comprehensive Automated Finance suite of solutions has the power to transform the role of finance from a cost center to a growth partner. These awards highlight FIS' continued investment in payment technology designed to support the office of the CFO across the entire money lifecycle.

Our heartfelt congratulations both to Seamus, and to all those who played a part in the development and delivery of Automated Finance.



## FINTECH FEED

### THE NUMBER GAMES

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

#### \$89m

in combined penalties and customer refunds ordered to be paid by Apple and Goldman Sachs over alleged "customer service breakdowns and misrepresentations that impacted hundreds of thousands of Apple Card users" by the Consumer Financial Protection Bureau (CFPB)

#### \$1.5m

civil money penalty issued by the CFPB to Florida's VyStar Credit Union for leaving its customers stranded without online access to their accounts as a result of "a botched rollout of a new online banking system"; the regulator says VyStar "plowed forward to complete the platform conversion process ahead of an unrealistic deadline, despite warnings from its own development team"

#### £550m

is the latest valuation of UK-based savings and investment platform Moneybox, following an injection of £70 million in new funding; the investment will be facilitated through a secondary share sale

#### 1,425

jobs to be cut by Spanish banking heavyweight Santander from its UK operations as it looks to reduce costs, with the round of layoffs to be finished by the end of this year

#### \$6.5m

agreed to be paid by Citadel Federal Credit Union to settle allegations of the US Department of Justice (DOJ) that it "engaged in a pattern or practice of lending discrimination by redlining predominantly Black and Hispanic neighbourhoods in and around Philadelphia"; this is a landmark agreement as it marks DOJ's first redlining resolution involving a credit union

#### \$135m

to be paid by cloud banking solutions provider nCino for FullCircI, a UK-based customer lifecycle intelligence platform

#### \$67m

to be paid by First Carolina Bank for Banking-as-a-Service (BaaS) fintech BM Technologies (BMTX); stockholders of BMTX will receive \$5 per share in cash (a 55% premium over the trading price of common stock as of 24 October 2024)

#### \$1bn

is the reported value of a potential deal by US payments giant Stripe to acquire stablecoin infrastructure start-up Bridge; the two companies are understood to be in advanced talks

#### \$136m

to be paid by digital identity verification and fraud prevention platform Socrate to acquire Effectiv, a San Francisco-based start-up specialising in risk decisioning; founded in 2021, Effectiv is already a Socrate partner and maintains an ecosystem of 50+ integrated third parties



### THEY SAID IT...

"If you don't include wallets in the ecosystem, you're missing out on several massive opportunities. It also fundamentally takes away a core capability from your business"

Dawei Wang, head of strategic partnerships, Thunes, speaking at the recent Sibos conference

- Read the full article on the *FinTech Futures* website [here](#)
- More coverage from Sibos 2024 can be found [here](#)

# TRENDING

# BANK

## Starling flicked the bird at tackling financial crime, FCA rules

The Financial Conduct Authority (FCA) has fined UK challenger Starling Bank £28,959,426 for financial crime failings related to its financial sanctions screening, including breaching rules on high-risk customer accounts.

Founded in 2014, Starling grew from 43,000 customers in 2017 to 3.6 million customers by 2023, reporting in June a 54.7% rise in pre-tax profits to £301.1 million in its third consecutive year of profitability.

However, a final notice posted by the FCA notes that the challenger's "measures to tackle financial crime did not keep pace with its growth". This is after the regulator raised "serious concerns with the anti-money laundering (AML) and sanctions framework in place" at Starling during a review of challenger banks' financial crime controls conducted in 2021.

As a result, Starling initially agreed to a voluntary requirement (VREQ) to halt opening new accounts for high-risk customers until improvements were made through its AML enhancement plan.

However, the regulator reports that Starling "failed to implement all of the underlying requirements and sub-requirements of the VREQ properly and did not adequately monitor its compliance with the terms of the VREQ following its imposition".

This included opening over 54,359 accounts for 49,183 high-risk customers between September 2021 and November 2023, earning £900,000 in interest and fees during this period.

"Starling's financial sanction screening controls were shockingly lax," states Therese Chambers, joint executive director of enforcement and market oversight at the FCA.

"It left the financial system wide open to criminals and those subject to sanctions. It compounded this by failing to properly comply with FCA requirements it had agreed to, which were put in place to lower the risk of Starling facilitating financial crime," adds Chambers.

In response to the FCA's investigation, Starling has apologised and says it "accepts its finding that the bank's financial crime controls failed to keep pace with the growth of the business".

It adds it has now completed both a "detailed re-screening of transactions" and an "in-depth back book review of customer accounts in respect of the contraventions detailed in the notice".

It has also introduced "additional safeguards to ensure the bank complies with regulatory requirements".

## Pockit trousers Monese

UK fintech Pockit has snapped up Monese, a mobile banking services provider, with the goal of building a fintech platform tailored to serve "financially underserved and lower-middle-income consumers across the UK and Europe".

The deal comes hot on the heels of HSBC writing off its \$5.8 million stake in Monese, not long after Kinnevik also devalued its 21% share. At the time, Norris Koppel, CEO and founder of Monese, said the company was "reliant on access to sufficient amounts of new funding to finance its current operations and growth plans".

The financial details have not been disclosed, though Pockit announced that it, along with shareholders led by Puma Growth Partners, will commit £15 million in equity capital into the venture.

The acquisition will not affect customers of either company until "a careful review and integration process has been completed".

Pockit founder and CEO Virraj Jatania will lead the expanded enterprise, while Koppel will leave following the transition process. Gene Lockhart, former CEO and president of Mastercard International, and Malcolm Le May, ex-CEO of Vanquis Banking Group, have joined the board.

The merged Pockit and Monese entity will serve approximately three million customers and generate around £30 million in annual revenue.

Starting out as a prepaid card provider in 2014, Pockit has evolved into a digital account platform offering services such as cross-border money transfers, early wage access and gift cards. Last year, it raised £10 million in a growth funding round.

## Monzo share sale sees valuation lift

UK-based digital challenger Monzo has achieved a valuation of \$5.9 billion after launching a secondary share sale. The move was supported by the bank's existing backers, including Singapore's sovereign wealth fund GIC and StepStone Group, which have purchased additional shares in Monzo.

Monzo says the sale has provided additional liquidity to employees while enabling investors to buy into its equity.

The challenger reported its first annual profit in June, which marked a £15.4 million gain for the fiscal year ending 31 March, compared with a £116 million loss the year prior.

Monzo has raised substantial funding this year, including a \$430 million round led by CapitalG in March, as well as a further \$190 million round in May, which at the time brought its post-money valuation to over \$5.2 billion. Monzo has now raised close to \$1.5 billion since its founding in 2015, and claims to serve around ten million customers.

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# Why banking is an ultramarathon, not a sprint

By Dharmesh Mistry

Lloyds Banking Group started business in 1765 as Taylors and Lloyds based out of Birmingham and so is now 259 years old. It is one of the 8,000 businesses in the UK that are over 250 years old, and these businesses provide 39% of the jobs in the UK!

The banking group has more than 25 million customers and a market capitalisation of £35.7 billion, as of October 2024. Its stated mission is “to help Britain prosper”: it is committed to supporting individuals and businesses, contributing to economic growth and making a positive impact on society.

While often referred to as a “legacy” or “incumbent” bank, it has 22 million active mobile banking customers – that’s approximately one third of the UK population and more than half the UK adults. This means it has more digital users

than the sum of all the UK “challenger” banks such as Monzo, Starling, Atom, Tandem and Revolut.

The group has a number of brands including Lloyds Bank; banking brands Halifax and Bank of Scotland; life insurance and pensions company Scottish Widows; consumer credit cards, loans, savings, and home insurance brand MBNA; and Schroders Personal Wealth (a joint venture with asset management heavyweight Schroders); and it is has acquired many others throughout its history. [While greatly reduced](#), it still has more than 500 mobile and high street branches.

In stark contrast, neobank Revolut started in 2015 and only got its UK banking licence in July 2024. It has more than ten million customers in the UK, more

than 45 million globally, and continues to grow. Revolut’s latest valuation (as of August 2024, following [the secondary share sale](#)) by private investors is £35.8 billion (\$45 billion). With this, Revolut claims to be “the most valuable private technology company in Europe”.

Its stated mission is “for every person and business to do all things money –

spending, saving, investing, borrowing, managing and more – in just a few taps”. Revolut currently operates in 35 countries, while Lloyds is predominantly UK-focused. Revolut has a broad range of payment and fintech products, while Lloyds provides a full range of traditional financial services across banking, insurance and investments.

Revolut has raised more than \$2 billion in funding over 13 rounds. In its 2023 accounts, Revolut declared total assets of £17 billion. Lloyds has over £881 billion in assets, according to its 2023 accounts.

There are vast differences between the two, with strengths and weaknesses in each business model. Yet many digital strategists and fintech influencers over time have called the end in sight for incumbent banks like Lloyds. I, too, thought traditional banks might struggle with the emergence of internet banks in the late 1990s. However, Lloyds was one that responded with its own attempt, Evolve Bank, and competed with challengers such as Egg, IF and Smile.

Evolve Bank then underpinned Goldfish Bank, launched by international energy and services company Centrica in 2000. This was arguably an early implementation of Banking-as-a-Service (BaaS), although other incumbent banks had already done the same for supermarkets earlier.

Some would say that Lloyds’ vastly superior balance sheet is “old-school thinking” but I don’t think the world has changed so much that having assets is not an advantage.

Lloyds’ cost-to-income ratio is just under 55%, while some digital players claim to be around 30%, so there is a view the latter are considerably more efficient thanks to better technology and lower operational costs. However, most of these digital banking players lack the breadth of financial services and products that incumbents, such as Lloyds, offer. Once digital players broaden their propositions and if they scale their customers, their costs will inevitably rise and leave less of a difference.

Some influencers have argued that customer experience alone would be the demise of incumbents as customers sought “convenience”. Lloyds has more than 350 people working on customer experience across the group, vastly more than digital banks individually

have. In fact, the bank has focused on experience since the early 1990s when it had its first “usability lab” to test Windows 2.0 programmes launched into branches. I had the pleasure of watching branch staff trying to use a mouse for the very first time from behind a one-way mirrored wall. Four screens showing live video feeds of the user’s hands, their face, the PC monitor, one on the whole set-up.

I’m just saying that there must be a good reason why banks have survived wars, technology changes and economic disasters. Many have overcome their own failings, most recently in 2007/8, with the support of the government, granted.

While not everyone values a branch or a call centre, many do. Many, too, continue to have their prime account with an incumbent bank rather than with a younger digital rival.

I can’t speak for all incumbents, but I do believe Lloyds Banking Group will be around a long time to come because of its ability to focus on customer needs while managing talent internally. Banking is not a sprint race or even a race, but if it were it would be more like an ultramarathon. And from experience, in an ultramarathon it’s better to be slow and steady like the tortoise than the excitable quick hare.



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

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

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

# Sustainable finance – opportunities, challenges, and the road ahead

By Christer Holloman



As the global community grapples with the dual challenges of environmental degradation and social inequality, the financial industry is increasingly viewed as a critical player in driving solutions.

Yet for some industry folks, sustainable finance is nothing but a gimmick, while for others, it's a billion-dollar business. I recently sat down with executives from Wells Fargo, ING, S&P Global Ratings and a new fintech backed by JP Morgan to explore where sustainable finance is heading, what challenges lie ahead and how banks can adapt to drive both profit and impact.

## ADAPTING TO CLIENT NEEDS

John Crum, managing director for specialty equipment finance and leasing at Wells Fargo, has witnessed a transformation in client demands over the past few years.

"Our customers are asking for solutions that align with their sustainability goals, particularly in areas like electric vehicles and renewable energy," Crum explains. As more businesses transition toward cleaner technologies, banks must adapt their product offerings to meet these needs.

At Wells Fargo, this shift has led to the development of tailored financing solutions for EV infrastructure, including a collaboration with EnTech and ChargePoint, the largest EV hardware manufacturer in the US. By monetising government tax credits available for sustainable technologies, Wells Fargo has created financial products that reduce upfront costs for clients while contributing to environmental goals. This alignment between customer demand and innovative finance solutions illustrates how sustainable finance is reshaping traditional banking models.

Regardless of who is in government, incentives might come and go, so when asked about how that can impact his business, John explains: "We try to take the politics out of it. Our strategy is based on the quality of the product, the suitability for what it's doing for our customers, and

what their plans are long term. We may see acceleration or deceleration of adoption in the short term, but long term, the right product, technology and application will find its way to customers regardless of what politicians are doing."

Needless to say, banks must remain agile, anticipating changes in government priorities and adjusting their strategies accordingly.

## GENAI IS DISRUPTING TRADITIONAL UNDERWRITING

John Yuen, chief risk officer at Credential, a B-Corp certified fintech start-up backed by JP Morgan, provides a striking example of innovation at the intersection of finance and sustainability. They have taken things one step further, only onboarding customers that are doing something good for the environment; everyone else gets turned away. Credential offers interest-free loans exclusively to small businesses investing in projects that reduce carbon emissions, such as installing solar panels and battery storage solutions.

Yuen explains: "In addition to traditional underwriting methods, we use generative AI and rich, real-time alternative data to make decisions quicker and more accurately. We just happen to only lend to things that also do good for society. Every \$100 million we lend is \$100 million an incumbent didn't."

Credential's approach demonstrates that profitability and positive impact are not mutually exclusive. By using advanced AI to streamline the underwriting processes, they are also able to reduce the cost of capital for sustainable projects while delivering value for shareholders. This model presents an alternative to traditional banks, showing that fintechs can lead the way in embedding sustainability into the core of financial services.

## FINANCING THE FUTURE

Cindy Jia, head of sustainable finance for the Americas at ING, believes that sustainable finance is entering a new phase

# Nominations are now open!

Nominations are open to banks, financial institutions, software providers, teams and individuals from across the world.

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

To learn more about the awards and see the full list of categories, visit [bankingtechawardsusa.com](https://bankingtechawardsusa.com)

Nominations deadline : **February 7, 2025**

[Submit nomination](#)



– one driven by the financing of emerging technologies.

“We’re going beyond traditional green and sustainability-linked financial instruments,” Jia says. “We’re advising and financing innovative sustainable technologies that are essential for addressing long-term climate goals.”

For banks, this represents both a challenge and an opportunity. Many of these technologies are still in their infancy, and financing them requires a deep understanding of their risks and potential. Jia emphasises the importance of developing specialised teams within banks that can assess these new technologies and their impact on industries such as chemical and steel manufacturing.

Moreover, as the market for sustainable finance grows, so does the need for standardisation and external verification. Jia predicts that over the next few years, the industry will move toward expanded reporting requirements, with investors demanding greater transparency on the quantitative impact of sustainable projects. This shift will require banks to invest in systems that track and report on sustainability metrics, ensuring that the financing they provide is delivering real-world results.

#### REGULATORY FRAMEWORKS AND MARKET SOPHISTICATION

Bruce Thomson, director of sustainability research at S&P Global Ratings, is responsible for advising its global network of 1,600 credit and sustainable finance analysts on how to better understand sustainability risk factors and integrate them into their analysis. He echoes Jia’s view on the importance of standardisation.

“We’re already seeing a consolidation of standards, especially on the environmental side,” Thomson notes. This trend is helping to create a more consistent framework for measuring and reporting on sustainability, which will, in turn, provide greater clarity for both companies and investors.

“Sustainable finance is no longer an optional add-on for banks – it is central to their future competitiveness... those that embrace the shift will be positioned to lead in both profitability and impact.”

Christer Holloman

He elaborates: “The cat is out of the bag. You can choose how, when, and to what degree you integrate these non-financial factors into your analysis. But I don’t think we are going to be in a place where we just decide that they’re not important or not germane to analysis.”

Another key trend Thomson identifies is the increasing sophistication of the market.

“Investors are becoming more discerning about the data they receive,” he says. Gone are the days when companies could rely on glossy sustainability reports filled with selective metrics. Today’s investors demand rigorous, transparent data that provides a clear picture of a company’s sustainability performance. As a result, companies – and by extension, banks – will need to improve their reporting practices to meet these expectations.

#### THE ROAD AHEAD

In conclusion, several key trends will shape the future of sustainable finance:

- 1. The emergence of GenAI and new technology:** AI-driven ESG data analysis will revolutionise how banks and investors assess sustainability risks. This will enable quicker, more accurate predictions about future risks, such as climate change impacts, transforming decision-making processes.
- 2. Consolidation of standards:** As global markets mature, there will be greater consensus on how to measure and report sustainability performance. This standardisation will provide investors with consistent benchmarks, facilitating more accurate comparisons across projects and regions.
- 3. The growth of specialised finance:** Banks will need to develop niche expertise in emerging technologies. From hydrogen fuel cells to waste heat recovery, these innovations will drive future sustainability efforts, but they require specialised knowledge for effective underwriting.

So, if it’s not clear by now, sustainable finance is no longer an optional add-on for banks – it is central to their future competitiveness. The landscape is rapidly evolving, with regulatory pressures, customer demands, and technological innovations driving change. Financial institutions that fail to adapt will miss opportunities to tap into the growing market for sustainable projects, while those that embrace the shift will be positioned to lead in both profitability and impact.



Christer Holloman is the co-founder and CEO of Credential, described as “the world’s first sustainable finance company”. Founded in 2023, it is dedicated exclusively to providing loans to businesses and institutions that sell, install, or invest in projects that reduce carbon emissions. Holloman is also the author of *How Banks Innovate*.

# Make mine red

By Leda Glyptis

I have been dining out on the stories of COBOL engineers dying out for a while now.

They die of ripe old age, in case you were concerned, and I take no joy from the recounting.

Nor do I take any joy from the predictability of the predicament faced by organisations who are heavily dependent on said engineers to maintain their ageing COBOL codebase with its esoteric quirks and natural language components in not widely spoken vernaculars.

I have been talking about the lunacy of it all for a while.

I have been talking about the

operational complexity and risk this practice introduces.

All because people are terrified of migration conversations... or they have other, shinier things to spend their budgets on... or they have real fires to fight and *this ain't broke, so we ain't fixin'*.

Only, how do you define 'broke'?

Does something need to be totally fried with smoke coming out of its motherboard to be considered 'defunct'?

You wouldn't turn up to compete at motocross with a BMX Freecoaster, no matter how cool it looks and how much



you love it, so why are you doing it with your operating infrastructure?

Don't answer that.

I know why.

We all know why, and I get it. The natural antibodies of your organisation fight you every step of the way. Your career is on the line.

And every day that passes the complexity is compounded by good people trying to do the right thing *incrementally*.

That word, once a banner of reasonableness, has become the ultimate albatross.

About a year ago, I facilitated a closed-door roundtable on the theme of AI adoption and specifically how to avoid making all the same mistakes the financial services industry had made in the adoption of almost every other new technology to date.

During the course of the conversation, a university professor put to the table a programme his team was developing, using AI tools to migrate COBOL code to Python. Of course, the conversation threatened to fall into a delightful rabbit hole of why Python and not Java, but I ruled with an iron fist and brought them back.

There were regulators in the room, so the first question was to them: what would they need to see for something like that to be palatable? It was an interesting debate, and although it

was not conclusive, you could see the regulators (a diverse mix from very different geographies) were willing and able to face into the complexity of the conversation.

So, I turned to the bankers in the room and said: "Assuming all this is sorted and a path forward is cleared, what would it take for you to jump in?"

They all looked at each other and chuckled. And after a little pause, one held three fingers up and said, to general applause: "We would go third."

Meanwhile, some companies are reputed to be pointing AI tools at their mainframes to replace the need for the COBOL engineers with their scarce skills and ailing health. And good for them. They're doing what they need to here. But are our organisations, the ones who are going to go third if they go at all, doing what they need to?

Band-aids upon band-aids to keep things limping along while we deal with things that are on fire.

So let's unpack this: first the fires, then the band-aids.

What would it take for something to be deemed on fire inside big organisations, when evidently having technology from the 50s processing 90% of all retail card transactions in 'real time' (ahem) and hoping for the best when it comes to exposure, liquidity management, AML and fincrime... isn't... on fire?

## IF THAT IS NOT ON FIRE, WHAT IS?

Seriously: what is? What does it take for something to be deemed on fire?

It's not a rhetorical question. It has a

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very specific answer. And the answer is that 'one of the following three things needs to be true':

- It's something the regulator says won't do.
- It's something an important client (think material share of wallet) says won't do.
- It's an event like an outage or a competitor winning a big deal or gaining a strategic advantage.

End of list.

These three things are how you get to the top of the 'attention span and budget' list.

Now, increasingly, system resilience, responsiveness and capability management are making all three of those rubrics, but not yet in a holistic way.

So, to add to my roundtable friends' answer.

What would it take for one of them to move on system modernisation across the board? They would need the industry to be well and truly on the road to doing it wholesale and/or one of the above to apply simultaneously.

### BEEN THERE, DONE THAT

If you are thinking 'I may have retired by then', then join the club. We have t-shirts.

The t-shirts come in all sizes but only two colours: blue for the 'I hope I have retired by then' camp and fire-engine, apoplectic red for the rest of us who think we are already late with this.

But honestly, where does all this leave us? Other than in two camps, the blues and the reds.

And we all know, both the blues and the reds *know*, the operational challenges of trying to do 2024 things with 1954 tech.

In fact, the business of balancing 'wrappers' and extensions and shadow ledgers and 'brown field' initiatives is thriving and, arguably, bigger now than the problem it tried to contain. Because now the solution (read: band-aid) is a problem in itself.

The band-aids that were meant to

"In a world of deepfakes, real-time connectivity and regulatory scrutiny over resilience, responsiveness and supply chain 'trailing risks', I say that not knowing in real time whether your organisation is whole... is a very dangerous place to be."

Leda Glyptis

help us focus on the fires have become a blazing inferno of complexity themselves.

So even if you mustered the courage to deal with the antiquities... what do you do with 70 years of accumulated... band-aid-shaped stuff... all around your creaking legacy?

The answer is always 'you do what you do with the elephant'.

Don't look at me like that. 'How do you eat an elephant? One bite at a time.'

There is no other way. One step at a time is how you get anywhere, with working out teleportation being on the to-do list, straight after 'switch off ancient systems'.

I joke. But I don't.

I have spent my entire career trying to persuade organisations to make material, deep changes to their tech estates before there was a fire to put out. It has been exhausting work, but it has its moments.

And yet the moment is past.

In a world of deepfakes, real-time connectivity and regulatory scrutiny over resilience, responsiveness and supply chain 'trailing risks' (a wonderfully cute name for a very scary set of implications), I say that not knowing *in real time* whether your organisation is whole... is a very dangerous place to be.

I would call that level of danger definitively: on fire.

What we could have done in our own time and with the benefit of optionality now has to be done under duress.

But no matter.

Help is at hand. There are tools to risk-manage the process. There are partners

who have done this before, in other industries as well as ours. Plus, we like putting out fires, right? It's what careers are made of in FS. That is a pattern we understand.

So.

Sadly, it's bad news for the crew that picked the blue t-shirt, the 'I hope I have retired by the time we need to do the hard work of modernising our critical technology' crew.

For the rest of us: pick your t-shirts and get to work.

I'll have red.

#LedaWrites



Leda Glyptis is *FinTech Futures'* resident thought provocateur – she leads, writes on, lives and breathes transformation and digital disruption. She

is a recovering banker, lapsed academic and long-term resident of the banking ecosystem. She is also a published author – her first book, *Bankers Like Us: Dispatches from an Industry in Transition*, is available to order now.

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

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

# State of play: card networks

By Philip Benton, principal fintech analyst, Omdia



Consumers' love of cards has seen the likes of American Express, Visa and Mastercard become some of the world's best known consumer brands.

However, the emergence of alternative payment rails like real-time payments, open banking and crypto – which look to bypass card rails – have forced card networks to pivot to ensure their longstanding success continues.

## CARD NETWORKS ARE SYNONYMOUS WITH PAYMENTS

The exchange of money relies on trust. This is why cash is still king in many parts of the world. When Frank McNamara invented Diner's Club, the world's first plastic payment card in 1950, it spawned the need for an intermediary between the issuing bank, consumer and merchant to handle the exchange of money digitally, and thus,

card networks were born. This is where the power of Visa and Mastercard has been instrumental in accelerating the use of card-based payments by ensuring cards have near-universal adoption globally, with the simple branding sufficient for both consumers and merchants to have trust in the transaction.

This level of trust didn't just happen overnight. Both Visa and Mastercard have

the commercial interest in maintaining card revenue. However, increasingly there is realisation of the growing demand from both merchants and consumers to adopt alternative payments.

According to Omdia's 2025 IT Enterprise Insights Survey, more than a third of payment issuers and acquirers listed alternative payments (real-time, digital wallets and cryptocurrencies) in their top-three IT projects for the next 18 months.

## THE RISE OF ALTERNATIVE PAYMENTS

While there is no suggestion that card payments will disappear anytime soon, the success of open banking in the UK and Europe and real-time payment rails UPI and Pix has led to global interest, with more countries looking to adopt alternative payments to digitalise economies.

Pay-by-Bank, also referred to as A2A (account-to-account) payments, has emerged as a credible contender to card-based payments. Pay-by-Bank utilises banking rails and thereby reduces the processing fees for merchants (compared to a card transaction) while enhancing payment efficiencies for the bank through real-time settlement. Although bank transfers are already common in some countries for online transactions, they aren't ubiquitous as a payment method in the same way card transactions currently are.

According to Omdia's 2025 IT Enterprise Insights Survey – Merchants, nearly three in four (74%) of the merchants polled expressed interest in accepting 'Pay by Bank' as an in-store payment (see graph, p23). Pay-by-Bank is growing in popularity, with UK pub chain Wetherspoons, Australian grocery retailer Woolworths and US giant Walmart all having announced that they will now accept the payment method.

While merchants have been relatively slow to adopt Pay-by-Bank in the near term, the longer-term impact is expected to be transformative for the retail payments landscape. At a global level, 66% hold the view that Pay-by-Bank will replace the use of payment cards over time. While it must be remembered that this is something of an open-ended view, it is nevertheless significant. The potential for

merchants to reduce card-acceptance costs, and particularly chargebacks in e-commerce, certainly makes this a potentially attractive proposition.

## PAYMENT INERTIA HAS ENABLED CARD NETWORKS TO PREPARE

Payments are inherently habitual, so shifting consumer preference towards alternatives to drive mass adoption of newer payment methods requires clear incentive from the merchant. The user experience needs to be a vast improvement on their default payment method for ease and convenience. While these incentives are starting to materialise – Uber, for instance, offers a discount to users on future rides who register to make their first Pay-by-Bank payment – it has given card networks ample time to prepare and hedge their bets on the future of payments.

Back in 2019, Mastercard purchased Nets' account-to-account (A2A) payment business for €2.85 billion as part of its strategy to reduce its reliance on card payment revenue, following on from its other recent acquisitions of Transfast (a cross-border payments firm) and Vyze (a POS financing provider). The deal strengthened Mastercard's position in the Nordics and complemented its Vocalink technology, which was acquired in 2017, as Mastercard strives to be a one-stop-shop for all the payments needs of consumers, businesses and governments alike. Since then, Mastercard also acquired open banking platform Fincity in 2020 and just this month purchased Swedish subscription management start-up Minna Technologies as it seeks to safeguard its future as the go-to intermediary for all things payments.

Similarly, Visa has been equally active in its M&A activity. After calling off its proposed acquisition of US open banking player Plaid in 2021, it acquired Tink, a European provider of open banking services, later that same year. It also acquired core banking provider Pismo in January 2024, which has given Visa access to the real-time payment network Pix that has revolutionised the Brazilian payments landscape.

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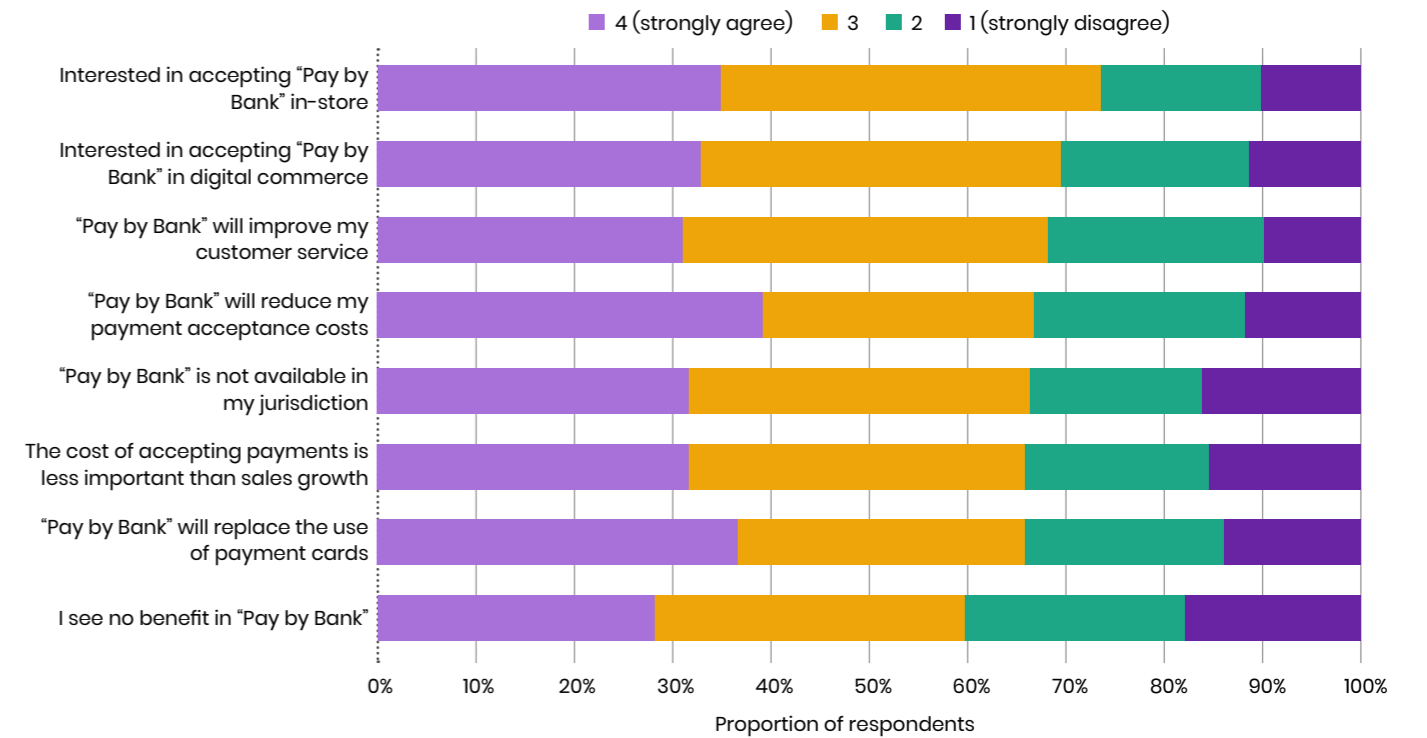
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**Attitude toward Pay by Bank infrastructure**



Source: Omdia

**A SIGNAL FOR THE FUTURE**

Over time, card networks have diversified their revenue streams beyond payments by introducing services in fraud management, identity, analytics and, increasingly, cybersecurity. The biggest signal to date of this direction was when Mastercard announced in September 2024 that it had agreed to acquire Recorded Future, the world's largest threat intelligence company, for \$2.65 billion. Of the reasoning for the acquisition, Mastercard said: "The need for a holistic and global cyberdefense has never been greater. As new technologies are introduced and adopted, there is a rising risk of cyberthreats. In 2024 alone, cybercrime is projected to cost \$9.2 trillion globally."

It should be noted that Mastercard has acquired several other cybersecurity-related firms since it set up a dedicated unit for cybersecurity in 2017, but the purchase of Recorded Future is by far the biggest. Mastercard is not the only card network looking to play a bigger role in cyberdefense either, with Visa splashing \$1 billion to buy UK-based fraud and AML specialist Featurespace. Featurespace's

flagship product, previously featured in Omdia's 'On the Radar' series, is an adaptive, real-time, individual, change identification (ARIC) Risk Hub, which uses advanced machine learning techniques to detect anomalies that lie outside normal good behaviour, helping to reduce net fraud as well as false positives.

**ADAPTING AND EVOLVING**

Unlike a number of other industries, whether it's the demise of Blockbuster, Blackberry or the Polaroid (although they have recently made a retro comeback), card networks are in the enviable position of being able to foresee market trends shift and invest accordingly. This is because a change in payment patterns doesn't happen overnight. New payment methods struggle to gain traction until there is mainstream adoption and then things often snowball from there. We've seen this with credit cards, contactless technology, BNPL and more recently Pay-by-Bank.

Both Visa and Mastercard have cleverly hedged their bets on several emerging technologies, whether it's open banking, blockchain or AI, to ensure that their

business evolves in line with the world around them. They have the advantage of being the ultimate aggregator, with the ability to easily on-ramp card payments and off-ramp into other payment types, which is commonly already done for crypto payments.

I've seen many a press release from many an ambitious fintech looking to disrupt the dominance of card networks, namely Visa and Mastercard. However, I've concluded that card networks might change in name (Visa was originally known as BankAmericard and Mastercard as Master Charge), but not in power.



# Outsourcing decision-making as the new CX paradigm in finance

By Dave Wallace

My word of the month is 'agentification'. Why? Because it's everywhere. Something must be going on.

The concept of agentification refers to the rise of AI agents, a pivotal development that could redefine the future of financial services. Throughout the evolution of computing, we've progressively outsourced various tasks to machines:

- **Computational tasks:** Early computers handled calculations that were laborious for humans.
- **Knowledge storage and access:** The internet and search engines revolutionised how we store and retrieve information.
- **Content creation:** Generative AI (GenAI) has enabled machines to create content, from writing articles to generating art.

Now, with AI agents, we're on the cusp of a new era – outsourcing decision-making.

Big Tech companies have recently been busy announcing plans around their agent propositions. OpenAI has just completed a \$6.5 billion investment round, valuing the business at \$150 billion. One of its key new developments has been its 'agentic' plans. According to Kevin Weil, OpenAI's chief product officer: "We want to make it possible to interact with AI in all of the ways that you interact with another human being. These more agentic systems are going to become possible, and 2025 is going to be the year that agentic systems finally hit the mainstream."

While we may be entering an AI agent hype cycle, the potential of these technologies is too compelling for them not to succeed in the long term. The building blocks are nearly in place.

AI agents are digital entities capable

of performing tasks with a degree of autonomy on behalf of a user or another program. These tasks can range from gathering information to making decisions or interacting with other systems and agents, often without direct human intervention.

As AI agents become more intelligent and autonomous, we may soon enter a world where software is aware and capable enough to make decisions on our behalf. The implications are profound, especially for financial services – a sector heavily reliant on decision-making.

It could even become the predominant customer experience paradigm, eventually making the internet and mobile banking obsolete.

## MISSING THE MARK

Some financial services companies are already taking tentative steps towards agents for customer applications.

Basic algorithms have been the 'brains'

"The transition from predictable outcomes based on coded rules to uncertain results driven by data and intelligence is a significant shift."

Dave Wallace

behind some of the chatbots a few banks have launched. However, their rudimentary nature has often missed the mark from a customer perspective, highlighting the urgent need for more advanced AI solutions.

GenAI has ushered in new possibilities with prompt-based interfaces and plain language responses. Klarna, the BNPL company, has demonstrated the power of automated intelligence by using GenAI to power its new chatbot. Powered by OpenAI, it achieved remarkable results one month after going live:

- It had 2.3 million conversations, translating to two-thirds of Klarna's customer service chats.
- It did the equivalent work of 700 full-time agents.
- It was on par with human agents regarding customer satisfaction score.
- Its problem resolution accuracy led to a 25% drop in repeat enquiries.
- It has enabled customers to resolve problems in less than two minutes compared with 11 minutes previously.

Klarna demonstrates that GenAI is the key to unlocking the potential of autonomous agents, hence OpenAI's interest. According to McKinsey in its recent report, "Why agents are the next frontier of generative AI", when agentic systems are built using foundation models – which have been trained on extremely large and diverse unstructured datasets – rather than predefined rules, they gain the ability to adapt to different scenarios. This adaptability mirrors how large language models (LLMs) can intelligently respond to prompts they haven't been explicitly trained on.

## ETHICAL CONSIDERATIONS

With AI agents advancing, we can envision several new possible use cases, including the ability to:

- Analyse spending, make recommendations on actions and then perform those actions. For instance, cancelling subscriptions.
- Analyse markets, make recommendations on investments and then execute those recommendations.
- Optimise opportunities for rewards. I recently wrote an article about account switching. In the UK, generous rewards are offered for switching. An agent might look at the best options and initiate the switch.

Huge implications need to be considered and addressed as we barrel towards this agent-centric world. The transition from predictable outcomes based on coded rules to uncertain results driven by data and intelligence is a significant shift. Regulators will want protection for customers. So, ensuring AI agents comply with all relevant laws and regulations is crucial to avoid legal pitfalls and protect consumers.

There are also ethical considerations. Delegating decision-making to AI raises questions about accountability, fairness and transparency. Who is responsible if an AI agent makes a poor decision? AI agents will also need access to sensitive financial data, so security will be paramount. Finally, customers will need to trust AI agents to make decisions on their behalf. Building this trust will require openness, reliability and demonstrable benefits.

I strongly believe in an agentic future. From my studies in psychology, I've learned that the brain likes to conserve energy – it seeks the line of least resistance. Much of human progress has focused on making our lives easier, reducing effort while maximising outcomes.

Technology has continually taken over tasks that require mental effort, effectively outsourcing aspects of our cognition. Outsourcing decision-making to AI agents is a natural progression in this trajectory. It's a *no-brainer* (pun intended).

Agentification represents a significant leap forward in the evolution of AI and its application in financial services. While challenges remain, the benefits of

increased efficiency, personalised services and the ability to handle complex tasks make AI agents a tantalising prospect for the future.

As technology matures and companies navigate the associated ethical and regulatory landscapes, AI agents are poised to become integral to how we manage and interact with our finances.



**Dave Wallace**

is a user experience and marketing professional who has spent the last 25

years helping financial services companies design, launch and evolve digital customer experiences.

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

# The funding dilemma: how much is customer satisfaction really worth?

By Richard Jeffreys, founder, CX ALL

At the heart of the discussion over the value of customer satisfaction is a more uncomfortable truth: businesses often fund customer satisfaction initiatives according to how much loyalty they believe they can extract for the money spent.

The more transactional the relationship, the less a company may care about long-term satisfaction.

On the one hand, businesses rely on customer retention for sustainable growth, and so they may pour significant resources into ensuring a smooth user experience. On the other hand, when growth plateaus or profit margins are squeezed, the first thing to get cut is often customer support.

Why? Because they know that a portion of customers will stay out of inertia, convenience or lack of better alternatives – even if their experience worsens.

This “funding gap” in customer satisfaction manifests in various ways. Reduced staffing levels at customer service centres, providing fewer resources for resolving complaints and moves away from voice solutions all serve to reduce costs but at the expense of customer satisfaction.

These actions aren’t accidental or the result of poor planning – they are deliberate choices made to preserve profitability.

## WHY THE RACE TO THE BOTTOM IS RISKY

This intentional drive toward mediocrity in customer satisfaction comes with long-term risks. For one, it underestimates

the power of negative word of mouth in the digital age. Social media, review platforms and forums give dissatisfied customers a far-reaching voice, and once a brand’s reputation begins to sour, it can be difficult to recover. Customers are not just numbers – they are influencers within their networks, capable of swaying opinion and driving potential customers away.

Moreover, the low-effort, low-reward approach to customer satisfaction

creates a breeding ground for disruptive competitors. Start-ups and niche players that prioritise excellent customer service (often, innovatively, at a lower unit cost than traditional contact centres) can quickly gain a foothold by catering to underserved or disillusioned segments of the market. In fact, many companies have built their entire brands on a relentless commitment to customer satisfaction, often at a premium price point that customers are happy to pay.

By accepting a baseline level of dissatisfaction, companies may also be encouraging customer churn at a level far beyond what they may anticipate. When customers feel undervalued, they become far more likely to switch at the first opportunity, even if it means paying a premium elsewhere.

## ARE COMPANIES REALLY WORKING OUT HOW MUCH WE’LL TAKE?

The provocative question remains: are some companies truly calculating how much dissatisfaction their customers are willing to tolerate? The answer, in my opinion, increasingly appears to be “yes”.

There is a fine line between managing costs and eroding trust, and I believe many companies are walking it precariously. When businesses deliberately set the limits of customer satisfaction and choose not to fund loyalty adequately, they are gambling with their long-term viability.

## WILL CUSTOMER DISSATISFACTION ULTIMATELY DESTROY BRANDS?

For companies banking on the idea that customer dissatisfaction is manageable, the danger lies in underestimating consumer power. While the balance sheet may show cost savings in the short term, the reputational damage from consistently delivering poor service can accumulate.

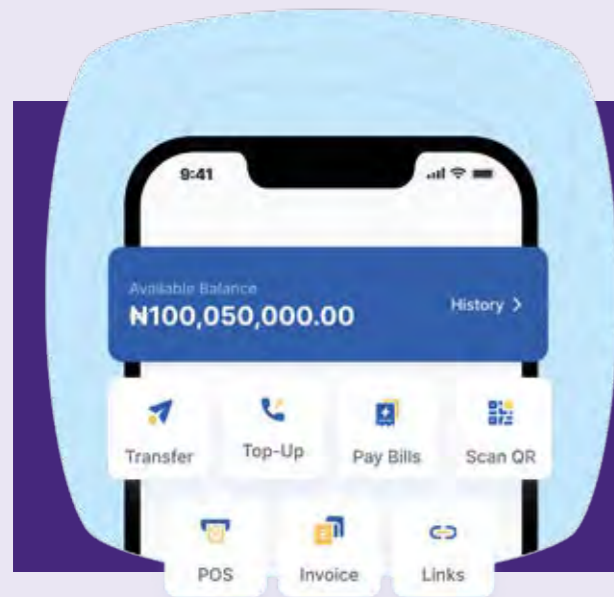
Consumers have more choices than ever, and loyalty is becoming a rare commodity. In a world where some companies may decide that a certain level of dissatisfaction is acceptable, it will be those that refuse to compromise on customer service that stand out.

Brands that overfund customer satisfaction – not just to the point of adequacy, but to the point of delight – will create lifelong loyalty that no cost-saving competitor can erode.

In the end, the companies that refuse to invest in customer satisfaction may find themselves victims of their own short-term thinking. The cost of dissatisfaction, though delayed, always comes due. The question is: will companies pay now, or will they wait for their customers to exact a much higher price later?



# FINTECH FUNDING ROUND-UP



**Moniepoint** (formerly known as TeamApt) has bagged **\$110 million** in a Series C funding round led by Development Partners International's African Development Partners (ADP) III fund.

The round also included contributions from existing investor Lightrock alongside new participants such as Google's Africa Investment Fund and Verod Capital, a prominent private equity firm in Africa.

Founded in 2015 with offices in Nigeria, Kenya, the UK and the US, Moniepoint provides payments, banking, credit and business management tools for businesses and entrepreneurs. It says it currently processes \$17 billion in transactions monthly through its subsidiaries and plans to use the investment to build a single integrated platform for "African businesses of all sizes" and expand across the continent.

**Airwallex** is reportedly looking to raise **\$200 million** from investors at a company valuation of \$6 billion.

The fintech unicorn, founded in Melbourne, Australia in 2015 and headquartered in Singapore, last raised \$100 million through a Series E extension two years ago, when it was valued at \$5.6 billion.

With an investor base featuring the likes of Square Peg, Salesforce Ventures, Sequoia Capital China, Lone Pine Capital, Hermitage Capital, 1835i Ventures and Tencent, among others, Airwallex has raised over \$900 million in total funding to date.

The fintech has leveraged these funds to expand its platform to new markets in Asia, Europe, Africa, the Middle East and Latin America.

In a mid-year mission update in August, CEO and co-founder Jack Zhang revealed Airwallex had reached an annual run rate revenue of more than \$500 million, an increase of 25% since Q1.

**Wildfire Systems** has raised **\$16 million** in a Series B funding round co-led by US VC firms Intuit Ventures and Mucker Capital.

The round saw additional participation from new backers Evolution VC, Cohen Circle, Gaingels and Samsung Next, along with existing investors B Capital, DLA Piper, Citi Ventures, Moonshots Capital, TTV Capital and QED Investors.

Founded in 2017 and headquartered in San Diego, California, Wildfire provides a platform enabling financial services and technology companies to integrate cashback rewards, digital coupons, shopping companions and social commerce into their services, while also leveraging its AI-powered RevenueEngine for content monetisation. It currently supports major clients such as Acorns, RBS, Citi, Microsoft and Visa.

Wildfire says that its platform "also creates an efficient channel for advertisers to achieve high return on ad spend", adding that it works with marketing platforms such as CJ, Impact.com and Rakuten Advertising to "drive incremental sales" for more than 50,000 merchant programmes in more than 50 countries.

The Series B round brings Wildfire's total funding to date to \$36 million, building on an investment from Citi Ventures in 2022 and its \$15 million Series A in 2021.

**Zip** has raised **\$190 million** in a Series D funding round led by venture capital firm Bond. The round received support from existing investors Y Combinator and CRV, and values Zip at \$2.2 billion, a 47% increase in the former \$1.5 billion valuation recorded during the fintech's \$100 million Series C last year.

New investors DST Global, Adams Street and Alkeon also supported the round, which brought Zip's total capital raised since its 2020 inception to around \$371 million.

The funding will be deployed across three main initiatives: advancing research and development for its existing procure-to-pay (P2P) product line, expanding its footprint in Europe, the Middle East and Africa (EMEA), and establishing a new Zip AI Lab.

Based in San Francisco, the company operates a platform that enables businesses to automate various elements of the B2B procurement process, including intake, sourcing, vendor management, purchase orders and payments, while applying AI to analyse different vendors.

**Arab Financial Services (AFS)**, a paytech headquartered in Manama, Bahrain, has secured a **\$50 million** capital injection.

With offices and data centres in the UAE, Bahrain, Egypt and Oman, AFS plans to expand into new markets.

The vendor currently reports "making progress" toward launching merchant acquiring services in the UAE, while also eyeing African markets for "growth in its processing business".

Founded in 1984, AFS provides a range of digital payment services, including merchant and fintech acquiring, debit, credit, and Islamic card processing. It is regulated by the Central Bank of Bahrain and the Central Bank of Egypt.

**Finix**, a US-based payments infrastructure firm, has secured **\$75 million** in a Series C funding round co-led by Acrew Capital, Leap Global and Lightspeed Venture Partners. The round attracted new investors Citi investors and Tribeca Venture Partners, and was supported by existing shareholders Cap Table Coalition, Inspired Capital, Insight Partners, Homebrew and others.

Founded in 2015, Finix provides no-code payment solutions, including real-time payouts, recurring billing and tokenisation services, to about 22 million businesses.

The Series C builds on a \$30 million funding round raised in 2022, followed by the firm's certification as a payments processor last year.

**TrueLayer**, a UK-based open banking payments network, has raised **\$50 million** in an extension of its \$130 million Series E funding round completed in 2021. The round was led by VC firm Northzone with participation from existing backers Stripe, Temasek, Tencent and Tiger Global.

Founded in 2016, TrueLayer describes the raise as following a period of "significant strides" with a 200% increase in revenue in 2023. However, it also previously recorded a 37.97% increase in tax losses the same year, reaching £55.6 million, up from £40.3 million the previous year.

TrueLayer processes over \$50 billion in total payment volume and 150 million transactions annually. It recently exceeded one million variable recurring payment transactions per month, claiming to be the first company worldwide to achieve this milestone.

**Osigu** has bagged **\$25 million** in a Series B funding round, led by Danish VC firm IDC Ventures. Visa participated in the round as a strategic investor.

Founded in 2015 and headquartered in Florida, Osigu leverages cloud-based technology, AI and real-time payments to streamline transactions between healthcare providers, payers and patients across Latin America and the Caribbean. In 2023 alone, the company says it processed 1.5 million transactions with a total value of more than \$650 million.

New York-based wealth management firm **Farther** has closed a **\$72 million** Series C funding round, co-led by Viewpoint Ventures and CapitalG, the independent growth fund of Google's parent company Alphabet. Farther's new post-money valuation is \$542 million – over four times higher than the \$131 million valuation recorded a year ago following a \$31 million Series B.

It has now raised more than \$118 million in total funding, with Bessemer Venture Partners, Context Ventures, Cota Capital, Khosla Ventures, Lightspeed Venture Partners, MassMutual Ventures and Moneta Venture Capital among the firm's existing investor base.

Founded in 2019, Farther provides technology-driven automation and human-led advisory services, including financial planning and investment management, to wealth advisors and their high-net-worth clients. It claims more than \$5 billion in assets under management (AUM) across more than 100 wealth managers and 5,000 clients.

Netherlands-based **Tebi** has secured **€20 million** in a Series A funding round led by UK VC firm Index Ventures.

Founded in 2021 by entrepreneurs including Adyen co-founder and ex-CTO Arnout Schuijff (Tebi's CEO) and former Adyen EVP of Technology Rob Vonk (Tebi's CTO), the start-up has developed a financial platform for independent hospitality and retail businesses.

Its mobile-first solution offers features for reservations, inventory management, QR ordering, bookkeeping and integrated point-of-sale and payment capabilities. It says the app has been "built on an accounting backbone, providing a single source of truth for users' financial data".

"We're at a moment in history when you can take your phone and start a business – without dedicated hardware or ugly, complicated software," says Schuijff.

The start-up, which is 15% employee-owned, offers revenue-based pricing, with the app free for users below a set revenue threshold and no extra charges for additional devices, users or locations.

Tebi intends to use its first institutional investment to expand abroad. Currently employing 30 staff at its Amsterdam HQ, it also plans to grow its workforce and broaden beyond the hospitality and retail sectors.



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

# MOVERS AND SHAKERS



Nick Ogden

**RTGS.global**, a UK-based fintech specialising in cross-border settlement, has lost its second co-founder, **Nick Ogden**, only two months after the departure of Andrew Smith.

Ogden and Smith founded the company with current advisor Gordon Cooper in 2019, with Ogden serving as director and Smith joining him as CTO.

Smith announced his exit from RTGS.global in the summer, stating on LinkedIn: "As the company moves in a new direction... it is inevitable that those behind the vision no longer are a good fit."

Discussing Ogden's resignation, Smith tells *FinTech Futures* the pair "had a vision of what we wanted to achieve with RTGS.global", but that over the course of the last 18 months, "this wasn't the direction the investors and board wanted to go".

The fintech's board currently consists of former HSBC chief Marcus Treacher as executive chairman, with Ruth Wandhöfer, Phil Kenworthy and former Citi CEO Jim Cowles as directors. Jarrad Hubble is CEO (appointed last year).

"I think when you have a founders vision no longer being the vision of the company, then you're heading for trouble," Smith says. "I didn't agree with the new direction of the company, the tactics or strategy. It was very much the right time to leave."

He confirms that he and Ogden, who previously founded ClearBank together in 2016, are "now working on new things", with the project currently in stealth mode. Ogden is also writing a book.

**Recognise Bank**, a UK-based SME challenger bank, has secured a £25 million investment from Parasol V27 (which has funded the bank since 2022) and announced a leadership change.

**Phil Jenks** has stepped down as chairman, marking the end of his five-year tenure at Recognise, and is succeeded by **Steve Pateman**. Pateman, currently a non-executive director at Recognise, is a seasoned banker, advisor and board director. He was previously CEO of another UK-based SME challenger bank,

Shawbrook Bank, and held CEO roles at regional banks Hodge Bank and StreamBank. His experience also includes senior leadership roles at Santander UK and Royal Bank of Scotland/Natwest. He is also a non-executive director for alternative lender ThinCats and an independent non-executive director of Bank of Ireland.

Meanwhile, **Jean Murphy**, CEO of Recognise Bank for the past two years, will depart by the end of the year, to be succeeded by former Nomo Fintech CEO and CTO **Simon Bateman**.

Bateman brings 30-plus years of experience in financial services, having held roles at Recognise's rivals, Aldermore Bank and Allica Bank, and also at Lloyds Banking Group.

Banking tech vendor **Temenos** has named **Barb Morgan** as its new chief product and technology officer (CPTO).

She succeeds **Prema Varadhan**, who is stepping down after 25 years at Temenos. Varadhan was promoted to president product and chief operating officer (COO) in January last year as part of the leadership shake-up at Temenos following the resignations of the vendor's then CEO and president.

Morgan joins from the London Stock Exchange Group (LSEG), where she was the group head of product for data and analytics for the past year. Her 30-year career includes roles as CIO at American InfoSource, CPTO at Intel and chief technology development officer FIS.

**Ixopay**, an Austria-based payment orchestration platform, has appointed former Smarsh exec **Suzanne Rudnitzki** as its new president and COO.

Rudnitzki, previously an executive in residence at Ixopay, is credited with playing a "key role" in the firm's merger with TokenEx, a US-based company specialising in payment data tokenisation, earlier this year.

Prior to this, Rudnitzki spent over four years at Smarsh, a financial compliance tech vendor, where she served as both COO and chief people officer. With more than 30 years of experience, her career also includes roles at Telecare Corporation and Nissan.

**Ronnie Thomson** has been appointed as the paytech's new CTO, succeeding **Felix Privitera**, who had served as Ixopay's CTO for the past 11 years.

Thomson joins from aPriori Technologies, where he was CTO and VP of engineering. He also held senior technical positions at companies such as Uplight, Quark and ZOLL Data.

**Kelly Wenzel**, who previously headed operations for Californian identity and access management solutions provider SecureAuth, has been named as Ixopay's chief customer officer.



Barb Morgan



Anthony Soohoo

**MoneyGram International** has named **Anthony Soohoo** as its new CEO. He takes the reigns from **Alex Holmes**, who had been MoneyGram's CEO and chairman since January 2016.

Soohoo brings over 30 years of experience working in the technology, AI and business sectors. He previously served as EVP for Walmart's Home Division for three years. He also founded AI-powered online shopping service Dot & Bo, held VP roles at CBS and Yahoo, and has served on multiple fintech boards.

**John Hinshaw**, HSBC's group COO, has stepped down after a five-year stint. During his tenure, Hinshaw has also maintained

a position on the HSBC Innovation Banking board of directors since 2023, and is said to have improved the group's "third-party supplier relationships, refreshed the group's approach to innovation and led the work to identify and secure the group's new global headquarters in London".

Looking ahead, newly appointed HSBC group CEO Georges Elhedery has "reviewed the accountabilities of the current GCOO role" and will divide them between two new group executive committee-level positions: an "elevated and expanded" group chief information officer (GCIO) role, and a newly defined group COO, according to a company statement.

**Stuart Riley** has been appointed as GCIO, overseeing HSBC's data and innovation efforts. He joined earlier this year after serving as global co-CIO at Citi for six months, where he co-led the US bank's technology unit.

Meanwhile, **Suzy White**, a seasoned HSBC veteran and current global banking and markets COO, has been appointed interim GCOO while the "formal recruitment process is carried out".

With over 25 years at HSBC, White has held various key roles, including COO for global markets and securities services, as well as chief risk officer for global banking markets and commercial banking in the US.

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

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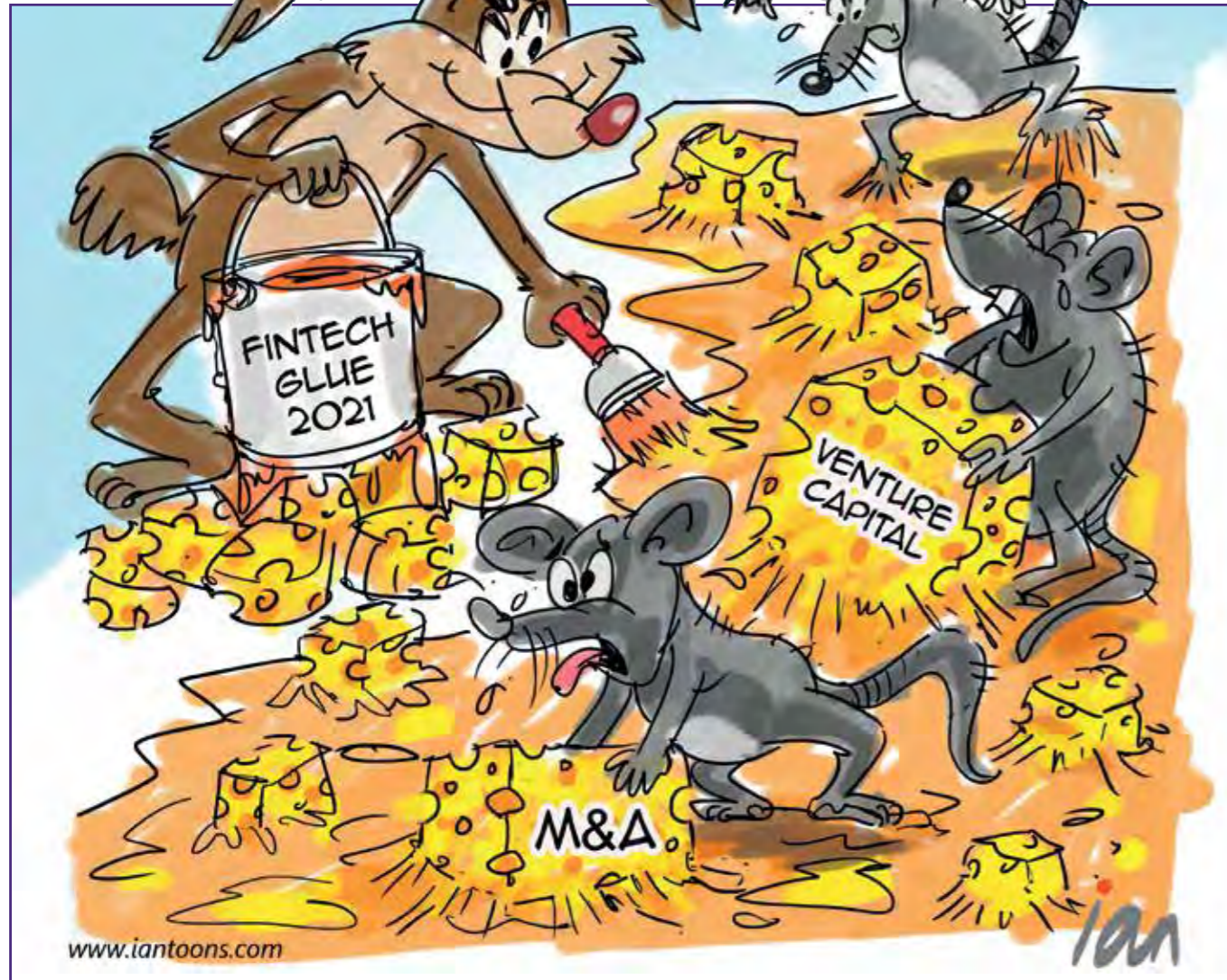
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“STICKY SITUATION”

Cartoon by Ian Foley

In 2021, worldwide fintech funding hit a record of \$239 billion, according to KPMG. Companies like Block, Affirm, Klarna and Revolut achieved multi-billion-dollar valuations.

However, by mid-2024, investment levels dropped significantly, with fintechs worldwide raising only \$52 billion.

There are some bright spots, such as Revolut's recent secondary share sale that increased its valuation to \$45 billion (a 36% increase on its last valuation in 2021), Ramp's \$150 million Series D-2 and Altruist's \$169 million Series E.

However, the fintech industry is seeing shutdowns (for example, Tally and Totem in recent weeks) and numerous announcements of layoffs. According to Boston Consulting Group and QED Investors' latest global fintech report, there is more “redesigning” to come, as they note that “many fintechs

have yet to apply [cost reduction practices] comprehensively”. Meanwhile, fintech M&A, driven by this difficult funding and IPO landscape, is outpacing last year's activity.

In 2023, the total value of fintech M&A deals reached \$59 billion – by mid-2024, that figure has already hit \$33 billion.

There are also still some regulatory headwinds around banking rail partnerships that need to be worked out. But the fintech market is a little different than most other private markets – the pandemic credit boom and the lack of exits has gummed up the system.

As Tom Callahan, Nasdaq Private Market CEO, remarked: “For private companies, there's a conveyor belt, and that conveyor belt is kind of broken right now... And while things have improved from 2023, it's still incredibly challenging. It's a bit like a game of musical chairs – there are too many private companies, and too little capital out there for all of them.”

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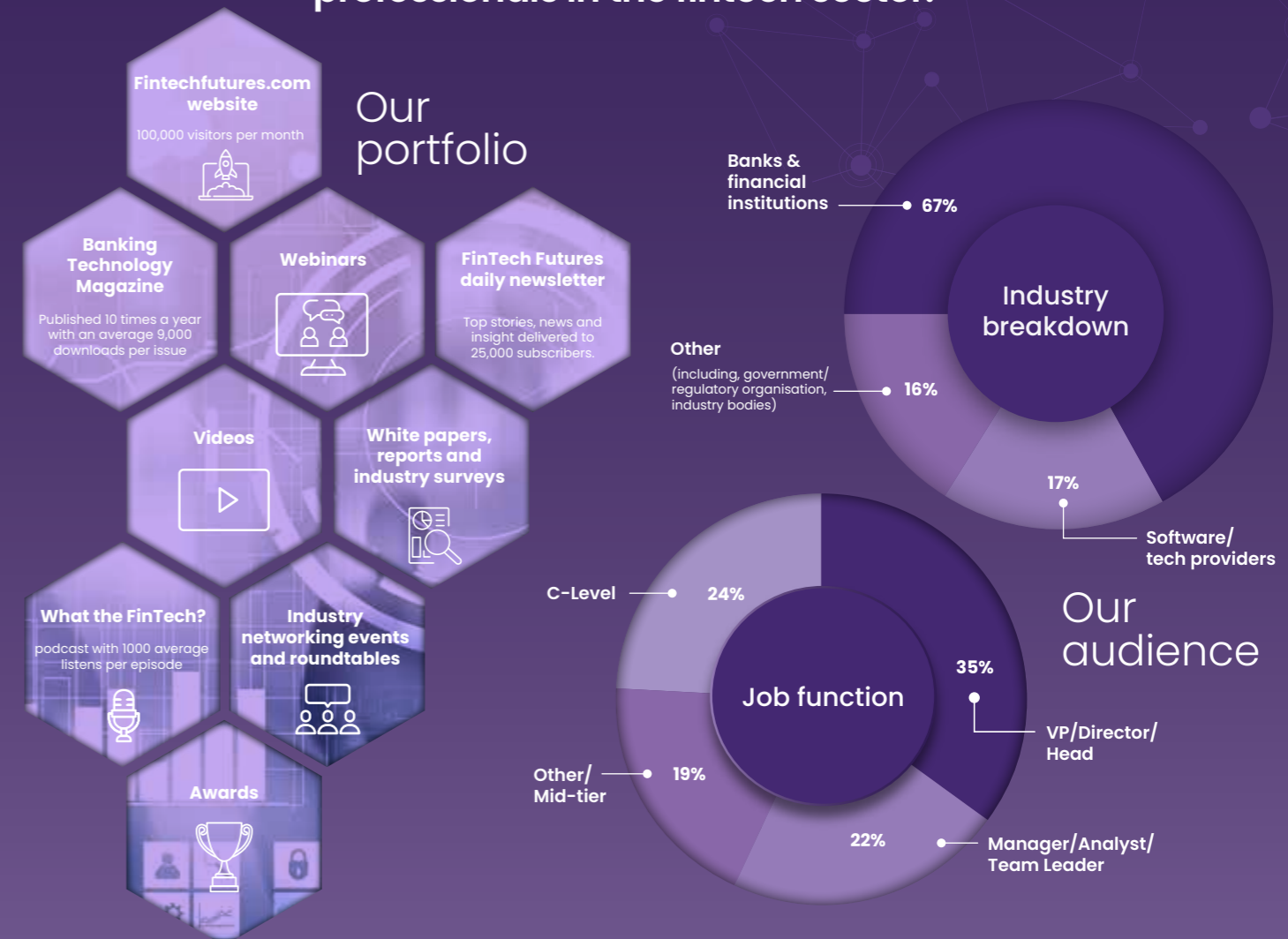
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