

Money is about to change forever. Maybe not tomorrow but the direction is set and it is only a matter of time and circumstance before cash is materially displaced

- Cash still a dominant UK instrument - USD1.4 trillion was circulating in the USA (2012)
- Infrastructure access and an 'API right' to access bank accounts will threaten banks
- Banks risk becoming commodity service providers as new players intermediate them
- Immediate payments / mobile account-account payments (2014) are 'game changers'
- Whichever solution maximises value to **all** of its participants will best displace cash

Identity is back on the agenda with good monetisable potential

- The market has an identity problem – islands of trust domains and no means to rely on other credentials
- Banks are potentially missing an opportunity to reduce operating costs, reduce operational risk and increase customer service
- The UK Cabinet Office is leading on the issue through their Digital Service Programme
- In 2007 the UK Passport Authority was issuing around 10K passports to bogus applicants – these are trusted documents

New legislation is on the way from Europe

- A new EU Regulation has been proposed and is due for Plenary reading in December 2013

There are many active identity pilots, but where are the banks?

- 17M users to need new digital identities for gov't services
- Eight companies to commercially issue the new identities
- 'Government Co-ordination Committee' is considering the banking industry response
- SWIFT has a Digital Asset Grid concept that may help

Good progress is being made, but there is still much to do

- A number of key issues remain to be addressed
- The UK Cabinet Office is 'learning by doing'
- Issues are being resolved as and when they arise
- Pilots are working well and early results are encouraging
- An international approach is needed – the EU has a plan!

Financial Inclusion – should we be more concerned about 'the poorly banked'?

- Banks are failing to innovate
- Credit Unions should be playing a bigger role
- A more customer, human centric approach is needed
- The panel was sceptical about whether people trusted banks and concerned about the 'dead hand of regulation'

The cloud has a lot to offer, but it poses risks too

- The cloud removes the inherent scale advantage of banks
- Where is my data, how is it protected, what is my recourse?
- 29% of US people polled believe actual clouds are involved
- Banks will lose business as others monitor customers better

New ad services threaten privacy

- 'Ad impressions' up by 504% and 100Mn profiles in the US
- 'Big data' can reach everyone in NYC for USD2,500

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