banking technology

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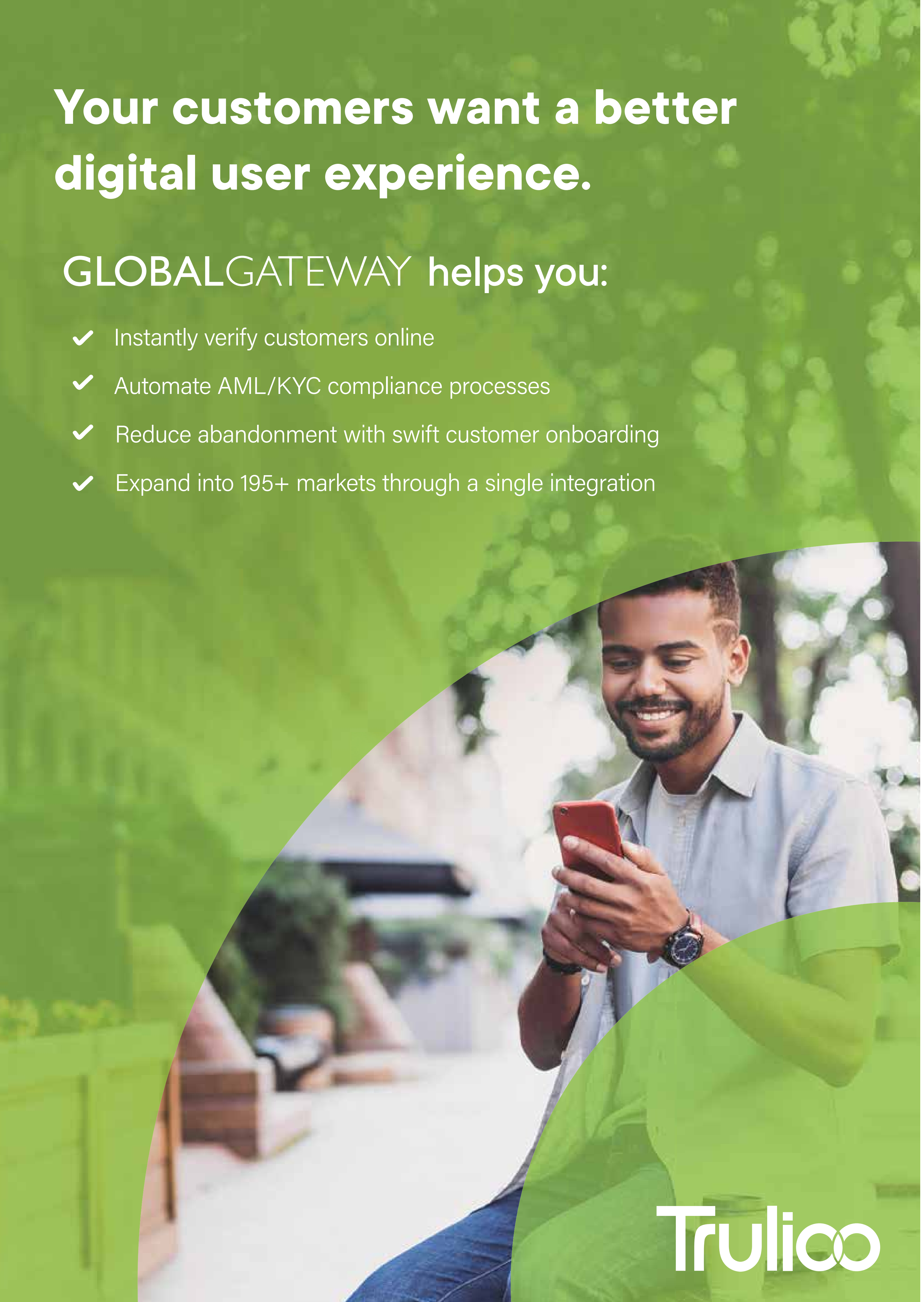
THE 2019 FINTECH REVIEW
Our debut annual industry trends supplement

HOW THE GRINCH STOLE MY IDENTITY
Three tips for fraud prevention this Christmas

COMMUNITY BANKING REVIVAL
Credit unions and community banks raise their game in 2020

FINTECH FUTURES

Contents



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Editor's note

It's the time of year we've all been longing for since Sibos – or even earlier for the cynics within us. Winter balls and drinks invites are sent across the industry, while out of office notifications flood our inboxes. Family plans are being scheduled instead of client meetings and shoppers flood the streets with giant bags loaded with potential prezzies. We made it. It's the end of year holiday season!

This year, we decided to give our dear readers a gift – our very first 'year in review' supplement compiled by our very own diligent reporter, Ruby Hinchliffe. Here, she dissects her top five 2019 fintech trends from this year's top stories. The trends in Ruby's sights are digitisation and the race to profitability, the growth of paytech, regulation, cybersecurity and big tech's influence in banking.

Who can mention the holiday season without some cybersecurity analysis? Someone who might be in dire need of reading Sundeep Tengur's three tips for fraud prevention. The senior business solutions manager at SAS notes that Christmas is one of the most lucrative times of year for fraudsters, especially those who commit identity theft. So, buyers beware!

Daniel Domberger, partner at Livingstone, argues that the UK departing from the EU without a deal or a change of government might lead to two main points for private equity investors in 2020.

"The first is that domestic political risk is back in a big way as far as investors are concerned," he says, along with the uncertainty over future regulations that makes it harder for PE investors to back earlier-stage disruptive businesses. For Domberger, "investors in 2020 are likely to focus on businesses with more established platforms and less grandiose ambitions".

Elsewhere, Andrew Rabbitt, CEO, incuto, predicts that 2020 will be an interesting year for the credit union and community banking sector. "A series of events and announcements have paved the way for what will hopefully be an explosion of interest in membership to these institutions," he opines.

Andrée Simon, president and CEO at FINCA Impact Finance, presents her four fintech and financial inclusion trends for 2020, from fintechs playing a crucial role in narrowing the gender pay gap, to predicting financial firms' shift towards a touch-tech service delivery model that combines fintech innovation with a human-centred approach.

We hope you enjoy this special edition and the FinTech Futures team wishes you all a wonderful holiday season and a fantastic new year! **bt**

Sharon Kimathi
Editor
Banking Technology

Klarna selects AWS as preferred cloud provider


Koen Köppen, Klarna CTO

Klarna has selected Amazon Web Services (AWS) as its preferred cloud provider. Having already worked with Amazon in the past, the Swedish banking firm has reinforced its reliance on AWS to increase redundancy and fault tolerance as it aims to scale its business.

It also plans to follow up the launches of its cloud-based open banking platform and customer authentication platform with additional on-demand products using AWS.

"Together with AWS we share a relentless focus on providing choices to consumers, so they no longer have to settle for the status quo," says Koen Köppen, chief technology officer at Klarna.

"Our collaboration with AWS has helped us rapidly innovate and create new services and applications that customers want, in a secure and seamless way."

Andy Isherwood, managing director for AWS EMEA, adds that Klarna is going to "change the world" with cloud technology.

"We have worked with Klarna for over a decade and it has been inspiring to see them grow from a Swedish start-up to a global financial services powerhouse, using the secure, proven infrastructure of AWS," he says.

Klarna raised $460 million in equity funding in August, which at the time valued it at $5.5 billion. The firm reiterated at the time its intention to focus on an expansion into the US market.

Alex Hamilton

UK start-up Student Finance raises €1.15m to tackle university loans

Educational technology start-up Student Finance has raised €1.15 million in a seed funding round led by Seedcamp and Mustard Seed Impact.

The 2019-founded firm "is aiming to solve the skills gap" by "making education affordable and accessible through Income Share Agreements (ISAs)", says co-founder Mariano Kostelec.

These ISAs mean Student Finance covers the cost of university tuition for students in return for a share of their future income, offering a third option which avoids paying back a loan or paying the fees upfront.

"We believe a pay-per-success model is much needed in the education space to ensure there is a focus on employment outcomes, while removing the financial barriers from accessing quality education," Kostelec adds.

The main difference between an ISA and a loan is that an ISA has a fixed percentage of your income over a set period of time, whereas the interest you pay back on a loan will change year to year.

The company says that it contributes to the "education and mentorship of a girl in Africa" every time it funds a student.


Logan Isbell/Unsplash

Other investors in the round include entrepreneurs José Neves, founder and CEO of luxury fashion platform Farfetch; Rolf Schroemgens, founder and CEO of trivago; Nuno Sebastiao, founder and CEO of Feedzai; Will Neale, founder of Grabyo and mobile payments firm Fonix Mobile; as well as Juan Urdiales and Felipe Navío, co-founders and co-CEOs of Jobandtalent.

European Innovation Council advisory board member Carlos Oliveira also participated in the round.

Ruby Hinchliffe

South Korea aiming to launch open banking system by end of this year

South Korea's commercial banks and fintechs say they will launch a single open banking system before the end of 2019.

Following a pilot by ten South Korean banks in October, which saw millions of banking customers experience a single open banking system, eight additional banks and fintechs have now joined the project due to launch officially on 18 December 2019.

The pilot programme, launched by Korea's Financial Services Commission (FSC), saw customers across ten banks access their accounts through one single mobile application. The commission notes that 5.51 million open banking accounts have now been registered country-wide.

In a bid to make open banking easier for customers across the region and reduce the cost of transactions, the FSC says the opening of payments services in South Korea will allow for banks and fintechs to compete in the payments industry.

The ten local banks that initially participated in the pilot included major lenders Woori Bank, NH Nonghyup, KB Kookmin Bank, Shinhan Bank and KEB Hana Bank.

Now eight other lenders, including Standard Chartered Bank Korea and Citibank Korea – as well as two digital banks Kakao Bank and K-Bank – will participate in the official launch.

Ruby Hinchliffe

Private bank for YouTubers to launch next year

New private bank 220, designed for YouTubers, high-net-worth youngsters and child stars, says it aims to be available for UK users by April 2020.

The strict criteria for joining the private banking community is based on total value of assets, 'general good standing', and ongoing value as interpreted by the bank. It will also eventually work on a referral basis.

Currently applying for a banking licence, co-founder and CEO Henry Fudge says the team wanted to tap the Swiss market first but changed to the UK for initial regulatory ease.

"The problem is with the child star – they can print money like a central bank but they have no basic financial literacy," says 23-year-old Fudge, who adds private banks such as Credit Suisse and UBS have become increasingly exclusive, meaning "if you're only a single digit millionaire you just don't get the service".

Fudge says 60% of these well-established private banks' customer bases are over 60, which means "these banks aren't trying to target younger people, they're just getting older".

220 will initially be targeting the richest youngsters in the UK, with plans to branch out to other countries eventually. It needs 10,000 customers by the end of next year to be on track with its growth targets and aims for 400,000 users across Europe by its fifth year.

Calling private wealth management "the heart of banking", Fudge says millennials are also set to inherit a record-breaking $68 trillion in the next 25 years. This is why he says it's "time to show them what premium is".

A robo-advisor will accompany the most basic plan, charging a flat 0.5% in annual fees which Fudge claims is 14% cheaper than others in the market. "If you go with established wealth managers, 0.5% turns into 5.1% overnight because you made one special request," he says.

Financial planning is also a big part of 220's model, and it can all be done through video consultations. The bank will work on a "completely paperless" basis and aim to turn around documents – which are all completed in the app – in 24 hours rather than two weeks.

The start-up has already secured €1.1 million from largely angel investors and aims to close at least €1.5 million by the end of its first funding round.

Ruby Hinchliffe

HSBC and Santander to issue customer refunds after breaking CMA rules

Customers of HSBC and Santander are set to be refunded by both banks following an investigation by the UK's Competition and Market Authority (CMA).

Part 6 of the CMA's Retail Banking Market Investigation Order requires financial institutions to automatically enrol their customers in an alert system that can warn them of changes to their accounts, like going overdrawn.

HSBC was found to have broken the rule twice and has agreed to pay a fine of £8 million to 115,000 customers.

The UK-headquartered bank broke the rules because it had a policy of not disturbing customers after 22:45. If customers went overdrawn after that time, they were not alerted.

"Having been the first bank to auto-enrol customers to unarranged overdraft SMS alerts, and seeing that six in 10 of our customers who receive one then pay in money, avoiding additional charges, we appreciate how helpful these text messages can be," says an HSBC spokesperson. "We apologise to those customers who for different reasons did not receive an alert. We will continue contacting customers who incurred overdraft charges as a result of these issues to apologise and provide a refund."

Santander was found to have broken the rule six times. A spokesperson for the bank says: "We have carried out a detailed review… and have taken steps to fix the issues. We are now working to identify and refund all affected customers as quickly as possible."

The refunds paid by the banks will cover all fees incurred by customers from going into unarranged overdrafts where they had not been warned beforehand by the required text alerts.

The CMA is also directing HSBC and Santander to undertake an independent check of their Part 6 compliance between February 2018 and December 2019.

Alex Hamilton

Bank supervisors must pay greater attention to APIs

The Basel Committee on Banking Supervision (BCBS) has published its report on open banking and application programming interfaces (APIs).

The report monitors the evolving trend of open banking observed in Basel Committee member jurisdictions and the use of APIs. The BCBS acknowledges that open banking comes with benefits to banks but also various challenges, such as risks to their business models and reputation, and issues regarding data privacy, cybersecurity and third-party risk management.

Overall, the BCBS found that banks and bank supervisors need to pay greater attention to the risks that accompany: (i) the increased sharing of customer-permissioned data; and (ii) the growing connectivity of various entities involved in the provision of financial services.

Sharon Kimathi

The eco-warrior

By *Ruby Hinchliffe*, reporter, FinTech Futures

When people talk about climate change, I doubt they think about fintech. More likely, they think about protestors camping throughout the world's capital cities, teenage activist Greta Thunberg addressing thousands from the UN, or the terrifying videos of forest fires ripping their way through anywhere from Britain's Yorkshire moorland to Australia's Adelaide hills where hundreds of schools are being forced to close. Whil all this association is important and transformational to the cause, there is a wider debate to be had on whether companies have a purpose beyond profit to join this fight too.

Michael Bloomberg said in an Economist Asks podcast that he thinks "companies should have a philanthropic approach wherever they do business and be very sensitive to their impact on the environment", but clarifies: "I do not want the heads of the big banks deciding on the social policies of our world."

For him, these objectives should be separate because ultimately capitalist companies exist in this world to make money. So, it's a balancing act – being environmental in approach where stock holders want it to build competition and generate more jobs but stop at the point where it doesn't make money and bleeds into the role of activists who are driven by social good alone.

For the world's biggest banks and financial institutions, this is the reality – everything they do is driven by investors. But with the advent of the Second Payments Directive (PSD2), we're seeing a back door open to these once impenetrable companies, where fintech disrupters are taking their long-awaited chance to be the bank's third parties and deliver functionality which fundamentally changes the way people spend and invest day to day. This relatively new landscape will now see environmentally driven fintechs trickle down the banking food chain and reach individuals' routines, arguably disrupting Bloomberg's belief that big banks should not decide on social policy for the world.

DOING OUR BIT

A good example of this is the Finnish start-up, Enfuce. Founded by two women, the fintech is working with the likes of Amazon and Mastercard to show people the carbon dioxide equivalent (CO_2e) emissions of each purchase they make and the impact that single purchase has on the world's climate. Set to launch in 2020, the nifty integration could tap multiple generations and prove to be a low-effort, feel-good way of 'doing our bit', which beats fighting with your local council to make recycling easier for those living on your street. It might even stir up the competitive spirit in us to have a smaller carbon footprint than our partner, work colleague or school friend. Fitbit did it with steps, so maybe it's not so far-fetched to think banks can do it with how people spend?

While it's not changing social policy in the traditional sense, these sorts of ideas have the potential to rewire people's thinking in a way that no longer feels forced. If people stop or cut down on buying things attached to an ugly carbon footprint because they feel bad, then it's not so different from the UK government enforcing 5p and 10p charges on the use of plastic bags to make people think twice about whether they need to buy them in the first place.

Perhaps banks and corporations should also join in on the efforts to tackle pollution and become allies in humanity's fight against climate change. **bt**

Three trends to watch in 2020

By *Kelly Switt*, global director, financial services ecosystem & strategic partnerships at Red Hat

The fragmented business models in banking and financial services have created vast opportunities for big tech and fintech to step in and solve customer needs. These new players are free from the 100-plus year old heritage operating model, allowing them to take a more agile approach to innovation. It remains critical that industry investments shift towards the customer – to reduce the risk of being perceived as a transactional firm rather than a relational one. Although the industry has been slower to adopt new technologies, 2020 is expected to be a 'catch-up' year with wider adoption of artificial intelligence, blockchain and public cloud.

ARTIFICIAL INTELLIGENCE

Artificial intelligence (AI) has the potential for great impact in the industry. An Accenture study confirms that 84% of C-suite executives believe they must leverage AI as an enabler for their strategic priorities. The most visible use cases are represented by robotics, chatbots and virtual assistants allowing for 24/7 customer service. Those initiatives are now table stakes and the demand for personalisation and efficiency across the entire value chain requires a shift in focus.

The two largest AI-related trends will be in scaled data analytics and embedded AI. Introducing AI capabilities to big data environments to drive predictions, identify patterns, anomalies and alike will aid the bank to anticipate customer needs, and thereby build more seamless experiences. Such experiences are more rich in personalisation, with unique offers relevant to that customer's need at that time. Embedding AI technologies, like pattern recognition and anomaly detection methods, into the core banking platform will help in further reducing exception handling to improve straight-through processing for the consumer.

BLOCKCHAIN

The hype of blockchain and distributed ledger technology (DLT) is set to deliver on its promise in 2020. The market will be made in the institutional banking arena because of the infinite potential in market exchanges and corporate financing. The expectations of the institutional client has begun to resemble those of the consumer banking business. The need for transparent processing, efficiency, security and speed are becoming strategic pillars for the business. Blockchain and DLT provide unique security requirements while helping improve transactional privacy and integrity in the process.

CLOUD COMPUTING

To truly maximise the potential of these emerging technologies, the core infrastructure must migrate to cloud. The shift to cloud computing is the catalyst of the innovative solutions that will transform this industry. Over the next five years, IDC believes that cloud platforms, both private and public, will be the accelerator for digital innovation. Managing business-critical applications in the cloud can be a challenge from a security, data protection and regulatory perspective. Those that are successful will choose a consistent technical foundation across the private and public cloud in order to have consistency, control and flexibility for infrastructure management.

In 2020, banking and financial services will continue their journey to digitally transform. As customers continue to base their expectations on personalised experience, the reaction should be to invest in technologies that will provide further differentiation. Leveraging AI to drive personalised experiences and automation will be key for consumer banking. Blockchain and DLT will drive unparalleled transparency and efficiency to institutional clients. And cloud computing is a key enabler to driving digital innovation across the industry – indeed to scale to delight customers. bt

Cash management: changes, challenges and opportunities

What are the factors impacting cash management for corporates? James Buckley, VP & head of europe at Infosys Finacle, takes a look at some of the most front-of-mind considerations

Cash management is especially critical for organisations operating across multiple geographies or multiple lines of business. What's more, a corporate or SME business typically has multiple banking relationships, with close to 100 or more accounts across those relationships. With one physical bank account for all the payments and collections, tracking and reconciliation of payments, collections, account receivables and account payables becomes a mounting challenge.

Here we look at some of the key factors impacting cash management.

PAYMENT INNOVATIONS

Banks are working to leverage innovations such as SWIFT gpi which, with its end-to-end tracking, faster settlements and stop and recall service is bringing in a long-awaited and slightly delayed revolution in the cross-border payments space. With payment schemes such as SCT Inst in Europe, real-time payment schemes are on the rise and businesses demand 24/7 processing. RTP in the US is designed to cater to corporate payments with options for messages such as Request for Information on top of normal pacs.008 or such payment messages. SWIFT gpi is playing a significant role in fostering faster, near real-time credits, creating enhanced propositions for banks.

OPEN BANKING/APIS

From an era of proprietary apps, private APIs and close networks, banking is becoming increasingly open with developments such as open API, fintech collaborations, cross-industry partnerships, regulatory changes and so on. These impact all areas of banking, and corporate banking too needs to be digitally enabled and API ready. Multi-bank cash management, which today can take days to process, is set for a massive transformation with APIs and will transform the way cash management operates.

CORPORATE EXPECTATIONS

Corporate banking users are exposed to convenient retail banking in their personal life, and they expect similar experiences from their corporate banks. They also want retail-like real-time payments and faster payment systems. Another area where corporates have invested heavily is reconciliation. Adoption of solutions like virtual accounts can help corporates digitise and manage cash management more efficiently.

REGULATORY CHANGES

Regulatory changes like the upcoming Basel III norms, norms related to BEPS, and thin capitalisation rules in various jurisdictions have now made some of the traditional products like Notional Pooling and Domestic/Cross border sweeping less appealing and very complex as well as costly to maintain. The implications of certain norms such as IFRS IAS 32, presentation norms on offsetting and cash pooling are impacting the traditional liquidity management products like Notional Pooling. It is against this backdrop that banks as well as corporates are looking to rationalise their accounts and operational costs. This is where solutions such as virtual accounts and on-behalf-of payments/collections are gathering momentum.

VIRTUAL SOLUTIONS

With virtual accounts and on-behalf-of operations, the benefits are manifold – reduction in cost, risk and administration, easier liquidity management and so on. Moreover, onboarding/opening of virtual accounts is much simpler compared with opening a new account that comes with its set of KYC processes, *et al*.

It is critical for corporates to ensure that the accounts are funded optimally, overdraft positions are covered, interest is optimised at all times and ensure that they have a holistic view of their liquidity positions across banking relationships. Businesses need to manage the 'cash in the business' at the 'balance point' or at least within the 'optimal zone' as required. **bt**

THOUGHT LEADERSHIP: CONTRACTS

Signing up to the future

By *Bernadette Bulacan*, legal evangelist, Icertis

Alongside the time and energy of employees, contracts are arguably the most valuable asset of any organisation – governing every pound or dollar coming in and going out of a business. As such, it is natural that companies are applying technology to contracts to ensure they are deriving maximum value from what is essentially their commercial foundation. Sitting at the centre of the business, the value and insights that can be extracted from within contracts makes them ripe for digital disruption. We've already seen multi-faceted automation technology enter a variety of other business processes, from payments through to customer relationship management, and digitally transforming contract management represents an even greater opportunity to accelerate the business and optimise performance while reducing risk.

The contract in its simplest form is an unstructured data asset – full of clauses, references, deadlines and insights. To date – contract management technology has worked to automate processes, such as pulling out deadlines and key clauses. However, new technologies such as artificial intelligence and blockchain are poised to move contract management from automated to autonomous.

A world where contracts are fully automated would be one in which decisions can be made based on past preferences and negotiation styles – freeing up resources for legal teams to focus on adding value to intelligent business decision making and complex strategy formation.

THE CURRENT STATUS QUO

Anyone who has negotiated contracts on behalf of their organisation is aware of the number of iterations a contract goes through. A typical negotiation between two companies today not only requires several authorised officials from both companies to spend hours on vetting and revising the contract, but each step of the process also takes days, if not weeks. The contract goes through numerous iterations until both parties are satisfied. Each side analyses template playbooks and compromises made in past agreements to respond to each iteration and revise.

Moreover, the entire process is highly manual, often completed over vast email chains and requiring each person involved to meticulously and comprehensively understand every section of the contract along with the spirit of the whole document. Scores of human-hours and weeks or months of organisational processing later, the contract becomes executable. Meanwhile, every hour of delay opens the door to risk: market shifts, lost sales opportunities, unrecognised revenue, competitive threats and more.

> "New technologies such as AI and blockchain are poised to move contract management from automated to autonomous."
>
> Bernadette Bulacan, Icertis

TOWARDS A FRICTIONLESS BUSINESS

In an ideal world, autonomous contracts managed by a contract lifecycle management system will save human time by using machine learned knowledge of negotiation history – for example, extracting clauses from similar approved contracts in order to understand acceptable terms of business. The system would combine this information with industry and environmental data, and autonomously negotiate parts of the contract on behalf of the companies.

Currently, most regtech solutions that help to manage contracts reduce each element of a complex contract to a set of parameters that is filled in either manually or programmatically. Payment terms in a contract between two companies, for instance, are typically entered into a contract lifecycle management solution after many rounds of negotiations. Additional clauses would automatically be added based on jurisdiction or other regulatory requirements. In a frictionless or autonomous environment, a solution would use insights from two companies' contracting history to negotiate on their behalf and execute clauses, workflows or actions when relevant events are triggered. For example, when a deadline is due, or an element of a contract is delivered (for example, payment for goods and services). Further, the more a solution learns of complexities and nuances, it will formulate more acceptable proposals for the next contract.

Autonomous frictionless negotiations will produce drafts that can be proposed to all parties – cutting down processing times to days if not hours, resulting in faster agreements and signing of deals, with the most significant gain of all – the many human hours saved in back and forth communication over iterations.

THE FUTURE LANDSCAPE

At the moment, each contract inevitably touches multiple departments, from HR through to logistics, accounts and legal, with many working independently of one another. A core benefit of a unified autonomous contracting function is that different systems and departments can co-create and talk to one another, in turn considering the needs or demands of specific business owners, reducing the chance of errors, and providing a transparent and easy to manage audit trail that is driven by data.

Seamlessly integrating software with contracts will ultimately lead to improved business and customer experience outcomes. Integration with other 'autonomous services' could make a real difference to customer experience. With autonomous cars for example, automated contracts could be used to improve how insurance claims are processed and communicated. Should one self-driving car have a collision with another and require repairs, built-in contracts in both cars could auto-file insurance claims based on precisely what happened, reducing disputes and speeding up the resolution of claims.

At the heart of the autonomous wave are artificial intelligence, machine learning and blockchain technologies. All are at a relatively early stage in their development, but when leveraged effectively, together they can make a future business model driven by autonomous contracts possible.

Machine learning models trained with high quality and diverse data are better equipped than ever before to predict future outcomes based on past actions – and blockchain can be used to create an efficient and trusted permission-based ecosystem of entities. In this scenario entire supply chains can be managed autonomously with blocks effectively attributed to clauses in contracts and designed to be self-executing. For example, when an order is received by one company's ERP, it would activate an entire family of suppliers and trigger clauses in contracts for factories to begin work on component parts, each of which would be guaranteed to meet sustainability, delivery and quality requirements – without the need for human intervention.

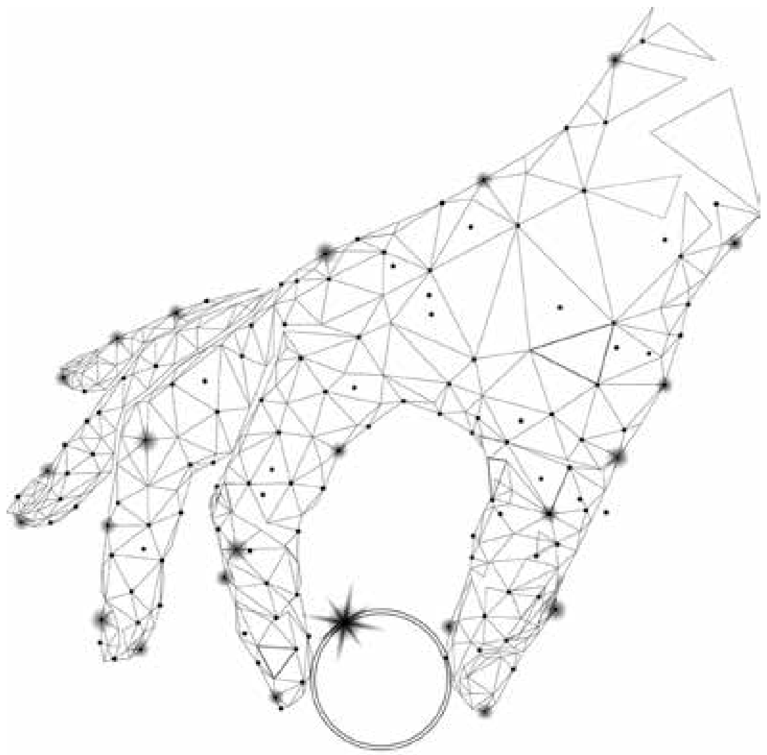
CONTRACTING BEYOND NEGOTIATIONS

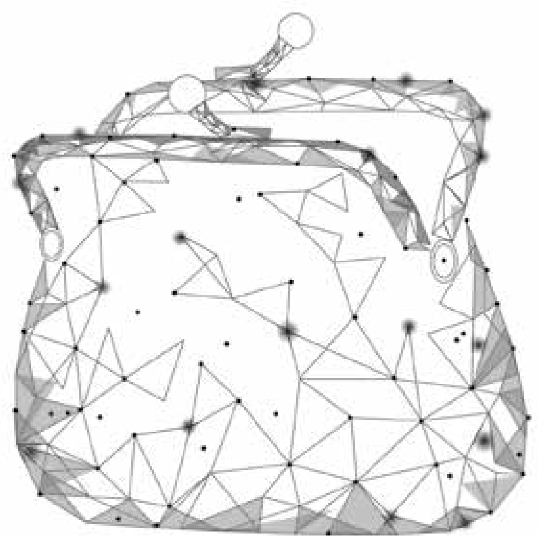
In today's cloud-enabled era, the necessary elements of technology required to move contracting beyond negotiations – and introduce an automated and secure network of digital contracts – are now available. Computers are more powerful and networks are faster and more ubiquitous than ever. Advances in AI and machine learning have been made possible because compute power, networking and storage have moved to the cloud. Meanwhile, developments in blockchain technology mean organisations now have the added reassurance of transparency and security in highly complex networks – enabling transactions to become autonomous.

Technology has the potential to bring autonomous contracts alive, allowing enterprise contract management to evolve with the environment, and guide transactions within a complete network of people and organisations globally. The future is exciting, and 2020 is likely to be a critical year. **bt**

A 2020 vision: digital adoption to continue

DPR's head of business development *Nick Lawler* explains how his company will be at the forefront of digital banking and integration.





Despite the political and economic uncertainty that has continued throughout the last year, the competitive nature of the financial sector has continued apace and seen it witnessing ongoing change. It's no secret that providers are facing increased competition from multiple challengers in the banking world, including large technology companies and digital-only counterparts, but what has 2019 bought to the savings and mortgage sectors, and what does it mean for banking technology requirements in 2020?

DIGITAL ADOPTION

The savings market has seen deposits grow over the last 12 months, with the latest statistics from both the Bank of England and UK Finance revealing that deposits increased in August 2019 compared with the same month in 2018.

According to the recently released Growth of Digital Banking Report by CACI, the second wave of digital adoption is now occurring. We at DPR have seen a shift in focus by regional building societies, looking to broaden their customer demographics through digital channels with an aim of enabling greater agility and speed to market. An increase in process efficiency via a fully automated end-to-end platform that removes legacy issues has been well received. While more accounts are expected to be opened via online channels, it is important that banks and building societies don't leave customers who prefer traditional transaction channels behind. The drive to better serve customers with functionality that can enable self-service and improve retention of existing customers continues.

The ultra-competitive nature of the low-interest rate mortgage market has seen a growing number of mortgage lenders focusing on lending criteria and policy in order to enable them to help customers, such as contractors, the self-employed and customers borrowing into later life. Specialist lenders and challenger banks have diversified their products and approach in order to gain more market share. Meanwhile, the 'Bank of Mum and Dad' has remained relevant and questions continue over any possible replacement for the popular Help to Buy scheme. In order to improve processes and the onboarding of customers, mortgage lenders have continued their efforts to improve agility and operational efficiencies within their businesses with the resultant aim being improved service for customers.

We believe that these key themes will continue into 2020. Providers will seek improved speed to market alongside quicker mortgage application processing to create more frictionless application journeys. An improved understanding of customer changing needs will also improve retention numbers. Regulatory demands can be met by improving Anti Money Laundering (AML) checks and document verification that will further improve operational efficiencies. It is the growth in fintechs that will continue to facilitate these improvements.

MEETING THE CHALLENGES

DPR understands the size of the opportunity and is offering an industry-wide solution for those wanting to adopt a leading system, get to market quickly and minimise costs. The approach we're evolving allows rich integration with more third parties to improve areas such as AML and speed to verify customer information. Our solution allows clients to diversify into new sectors of the savings and mortgage markets quickly, with our enhanced platform. Even when business requirements change, our options give the freedom of choice to clients now and in the future. One example being Maturity Manager, which enables better retention of existing customers through the ability to self-serve, which results in reduced operational dependencies. Our new savings platform includes regular releases seeing clients benefit from continued enhancements, which means no clients are left with a costly legacy system. Additionally, a savings mobile application can be fully branded, allowing customers to self-serve and manage funds.

Banking will continue to be shaped by digital and data-driven innovation; with the expectations and demands of customers continuing to accelerate, I believe that we are perfectly placed as a vendor to remain at the forefront of banking development and integration. **bt**

> "A savings mobile application can be fully branded, allowing customers to self-serve and manage funds."
>
> Nick Lawler, DPR

For more information, please visit www.dpr.co.uk, email enquiries@dpr.co.uk or call 020 7050 2000.

EDITOR'S CHOICE: FINTECH IN 2020

Four fintech and financial inclusion trends for 2020

By *Andrée Simon*, president and CEO, FINCA Impact Finance

Financial technology innovations have forced a shift in traditional financial services paradigms and prompted large financial institutions to re-evaluate how they do business. The outsized impact that fintechs have had on the industry over the years has not only been disruptive, but quantifiable.

In 2018 alone, global investment in fintechs reached record levels ($112 billion). And while global fintech investment fell in the first half of 2019 ($22 billion), compared with $31.2 billion in the same period of 2018 (a decline of 29%), this lull is more reflective of broader trends in venture capital investment than it is an indictment on the prospects of future fintech growth.

Fintech's positive impact can be traced back even further. Between 2011 and 2014, 700 million adults became account holders, and the unbanked population fell by 20%, down from 2.5 billion. And while globally, 1.7 billion adults remain unbanked, fintech is helping make financial services more accessible to an increasing number of people.

Despite fintech's successes, a gap remains for women, rural residents and other underserved communities. For this reason, responsible financial institutions cannot rest on their laurels nor become complacent – there is more work to be done to improve financial inclusion for women and those who remain financially excluded.

As we head into the new year, innovative financial technologies will continue to transform the financial services landscape and play a pivotal role in making financial products more accessible to more people. There will surely be bumps along the way, but fintech is not going away anytime soon.

With that in mind, here are four fintech and financial inclusion trends to keep an eye on in 2020.

CLOSING THE GENDER PAY GAP

Although the global Findex database revealed that major progress has been made toward financial inclusion, the picture looks less impressive when you look more closely at the data. Despite what the reports might suggest, women are not benefiting equally and continue to be at a disadvantage.

In fact, a recent study estimated that in 86% of all low and middle-income countries, more men own mobile phones than women, and 58% of these countries have a gender gap greater than 5%. This gap continues to be an obstacle that prevents women from fully participating in the economy.

There are two major barriers to women's financial inclusion that really stand out. The first of these is the digital gender gap that exists. Even when women own a mobile phone, they are generally less likely than men to connect to the internet, preventing them from reaping the full benefits of the technology. This severely curtails the transformational impact that mobile financial services can provide.

Social and cultural barriers represent another major hurdle for women in the pursuit of financial inclusion. This problem is particularly acute in regions like South Asia, where deeply engrained patriarchal attitudes are commonplace. Even in cases where women possess both a smartphone and a data plan, using it for mobile banking services may not be socially or culturally acceptable.

Fintech needs to do a better job of closing this gender gap. For example, fintech innovations such as mobile and agent banking can be part of the solution, but they must be properly designed and targeted toward empowering women. Research shows that, thus far, fintech has been most effective at narrowing the gender gap in markets where women are already financially included to some degree. Where that isn't the case, and where women face diminished access to technology and digital literacy training, these solutions are less empowering.

PRIORITISING BANKING OVER BANKS

Although fintech and big data have had an outsized impact on traditional banks, the microfinance sector has not been immune to the sea change effects that have resulted from the rise of these digital technologies. Traditional banking models, which rely heavily on profits earned from transaction fees and require customers to physically come to branches to do their banking, are quickly becoming a thing of the past.

Such models are giving way to a new space carved out by fintech innovations, where customers can expect service providers to offer practical, clear-use products that cater to their needs; where making transfers, payments and remittances can be done without a fee and financial services can be accessed remotely on mobile devices.

This transformational trend cannot come soon enough for people in places like the Democratic Republic of the Congo (DRC). With less than 35km of paved road for every one million inhabitants, the lack of physical infrastructure is a barrier to financial inclusion, economic productivity and a threat to physical safety.

In fact, traditional branch-based banking is not feasible for most of the DRC's 81 million residents, and other channels are extremely scarce. However, basic financial services are needed. Even a small savings account can help a family cope with setbacks, which are all too common. Without that safety net, life can devolve into a daily financial scramble. Fintech innovations are bringing banking closer to where people live and work, and offering them more customised options.

Despite their utility, innovative technologies do have some inherent flaws. In Kenya, for example, the growing popularity of digital credit accessed through mobile phone apps has brought with it increasing incidences of identity fraud.

According to a recent report issued by MSC, rapid loan approvals and the ease of acquiring personal data are the key drivers of this trend. Additionally, clear guidelines governing privacy protection and sharing data are lacking in many markets that offer digital credit.

Finally, in Kenya, the decreased costs of delivering digital credit at scale have not trickled down to the consumer and the interest rates offered by the various digital lenders on the market are erratic and are often not less than what traditional financial services providers offer.

COLLABORATION WILL BE KEY

Innovative fintech products are challenging the dominion traditional lending institutions have over others within the financial services sector and will continue to level the playing field within the industry.

And while fintech organisations have been disruptive, they don't have to be the death knell for banks. Quite the contrary – when fintech and banks collaborate, they can create impactful new financial products and channels that better serve existing clients and help expand outreach.

The reality is, banks need tech firms – especially when they don't have the capacity to develop digital products and services in-house. Fintechs also need banking partners to reach their full potential, and they need them much more than many people realise.

In many markets, a banking licence is needed to directly provide most financial services. This is something most fintech do not have. Even when a fintech manages to obtain a banking licence, providing loans from its own balance sheet is a complicated process. Most fintechs don't want to become banks. They want to be fintechs.

Financial institutions provide stability, and they also have advantages in distribution, savings, customer experience and marketing that fintech firms struggle to replicate. Banks also know more about their customers because they have personal relationships with them.

At the end of the day, there is a huge opportunity to reach more people with digital finance. Collaboration helps seize that opportunity.

THE HUMAN TOUCH

No amount of digital technology can change the fact that financial inclusion is and always will be about people. That is why a delivery model that combines the efficiency of digital finance with the personal trust of in-person or "touch-tech" banking, is important. Rather than replacing branches and loan officers, touch-tech uses digital channels to foster relationships with customers. While frontline staff members are key players in providing services, leveraging digital technology to optimise processes helps frontline staff do their jobs better, leads to greater outreach and better outcomes for clients.

Today's customers are looking for the next generation of financial service providers. In a global financial landscape that is constantly changing and innovating, financial organisations will need to continue to eschew traditional banking paradigms and think more creatively in terms of relationships. This means thinking outside the box culturally, technologically and operationally.

For a financial organisation to be successful and thrive in markets that continue to see declines, shifting to a touch-tech service delivery model that combines fintech innovation with a human-centred approach to delivering impactful financial services is something that should not be overlooked. **bt**

COMMENT

Next year looks bright for community banking

By *Andrew Rabbitt*, CEO, incuto

2020 is shaping up to be an interesting year for the credit union and community banking sector. A series of events and announcements have paved the way for what will hopefully be an explosion of interest in membership to these institutions. For example, in the UK we saw the high-profile collapse of payday lender QuickQuid, just a year on from Wonga's demise, as well as the Financial Conduct Authority's (FCA) Alternatives to High-Cost Credit Report, published July 2019, which clearly highlights credit unions and community development finance institutions (CDFIs) as alternatives to high-cost credit. Additionally, in October this year, HM Treasury announced the official launch of its Prize Saver scheme, an initiative designed to boost membership of credit unions with cash prizes for their savers. Against this backdrop and with many consumers looking for alternatives to traditional high-street banks, credit unions have a unique opportunity to raise their profile.

It's clear that the need for more ethical and affordable sources of finance has never been greater. Indeed, recent figures from the TUC on child poverty reveal that the number of children growing up below the breadline has risen by 800,000 since 2010. According to its figures, there has been a 38% hike in the number of children growing up in poor households, despite being from working families. These families face a poverty premium whereby they pay more for goods and services because they either can't afford to purchase something outright, or, as is the case with financial services, can't get access to the best rates or products. Until now, payday and doorstep lenders have taken advantage of this market, preying on the financially excluded with high-cost loans, but times are changing.

Credit unions and community banks offer the ideal alternative to high-cost credit. These institutions exist for the benefit of their membership, are focused on financial inclusion and education, as well as working alongside members to build long-term financial resilience. They have, however, remained largely under the radar in the UK, with total membership numbers remaining quite low. Technology holds the key to extending their services to greater numbers of UK savers and borrowers in 2020.

THE FUTURE OF COMMUNITY BANKING

Fintech has an important role to play in helping credit unions and community banks take advantage of opportunities in 2020. To be successful, community-focused banks need to look at ways of bringing their services in line with traditional high street banks, challenger banks and even payday lenders. One of the main reasons credit unions have remained relatively invisible to UK consumers is because many still rely on old fashioned and outdated methods of interacting with their members. Slow, paper-based systems have remained prevalent and while it's true to say that financial services as a sector has not blazed a trail when it comes to digital adoption, credit unions have been particularly slow to innovate.

Technology partners also have a responsibility to help these organisations scoop up the millions of customers who rely on payday lenders. Although some may herald the end of high-cost credit providers, we mustn't forget there are a large number of borrowers who absolutely rely on their services, especially considering sweeping cuts to the benefits system in recent years. Credit unions are well placed to provide a safety net to these individuals but they need to up their game so they can reach potential members and provide a consumer-grade experience.

If we consider the size of the payday loan market, the opportunity for credit unions becomes clear. We know, for example, there are about three million payday borrowers in the UK and about 37% of this number are digital natives aged from 25-34. We also know that the average loan is about £260 (although many pay this back many times over when taking high-interest payday loans) and that 83% apply for these loans online. If more motivation were needed by credit unions and community banks to digitise and streamline their services, 75% of payday borrowers will take two or more loans per year so the opportunity for repeat transactions is highly likely.

FINTECH FOR SOCIAL GOOD

So, what should credit unions and community banks be doing to capitalise on the current trend for lower-cost, more ethical sources of finance in 2020? And what impact will fintech have as we move into the New Year?

In line with payday lenders, loan application and fulfilment must be moved online. We know from activity on our own platform that 47% of loan applications are made outside office hours so credit unions and community banks have the potential to double their loan book with a platform that allows members to complete applications and get decisions online. Similarly, and like most high street and challenger banks, members want the option of checking accounts and balances, preferably on the mobile, as well as manging their money and making withdrawals at the touch of a button.

> "To be successful, community-focused banks need to look at ways of bringing their services in line with traditional high street banks, challenger banks and even payday lenders."
>
> **Andrew Rabbitt, incuto**

Underpinning that customer experience, credit unions need a back office that allows them to be faster than a payday lender, better than a bank but maintain cheaper transaction fees so they can continue serving members in an affordable and ethical way. In order to become competitive, credit unions and community banks need to move away from manual systems to secure automated solutions that enable them to manage their loans and membership easily, as well as market themselves more effectively. Technology that can allow both organisations and customers to make best use of their data, to automate member preferences and interactions, and give the credit union an instant and accurate view of its membership, will allow for better personalisation, experience, marketing and communications to boost awareness.

So, while events and initiatives like the Prize Saver scheme are great news for credit unions and community banks, they will only go so far in persuading savers and borrowers to become members. The digital experience will play a crucial role in transforming these banks and uptake of their services into 2020. **bt**

Don't let the Grinch steal your identity

By *Sundeep Tengur,* senior business solutions manager, SAS

Crowds aren't the worst part about shopping during the holidays. Consumers often throw caution to the wind in pursuit of a good deal, clicking on suspicious links or giving their personal data to fraudulent sellers. Christmas is one the most lucrative times of the year for fraudsters, especially those who commit identity theft. As many as 8% of US consumers are affected by identity fraud at Christmas time, with 43% saying their identity was stolen while shopping online.

It's worth remembering that companies lose an estimated 5% of their revenue to fraud each year. However, there are clear steps organisations can take to keep themselves and their customers safe. With a rigorous, data-driven approach to identity verification, they can stop identity fraud before it has a chance to do any damage.

KNOW YOUR DATA, KNOW YOUR CUSTOMER

As e-commerce has grown, organisations are waking up to the fact that the digital identities customers use to shop online are highly malleable and open to abuse.

The problem is that crucial authentication decisions are too often made based on incomplete insight. This is because many organisations only collect and analyse some of the data that is on offer.

If you don't consider every possibility, you're only leaving blind spots to be exploited by fraudsters. For example, an authentication system may approve a large transaction by a cybercriminal impersonating a customer simply because they're using the customer's stolen device.

Yet, if the system had checked the device's location and the customer's behaviour, the hacker would likely have been exposed.

The main data points to consider are:

- **Background information:** The organisation's previous interactions with and knowledge of the customer based on an existing profile
- **Channel information:** The channel or device the entity is using
- **User behaviour:** The behaviour of the identity while they're using your services
- **Public record:** Publicly available information on the customer
- **Network analysis:** Wider data from analysis of the market and threat landscape

Organisations don't have to implement every data type into their verification process. Yet, every new segment they do adopt vastly increases their chances of detecting and stopping fraud in progress.

THINK OF THE CUSTOMER AND BRING YOUR SYSTEMS TOGETHER

Authentication systems must be secure, but they also have to be quick. Customers won't wait around if you spend more than 10 seconds weighing up their credentials. Yet, the industry's approach to authentication has sadly become segmented. There are thousands of point of sale solutions that cover only one part of the verification process. They are rarely joined up and only waste the customer's time and patience.

To turn insight into fast authentication decisions, organisations should consider an end-to-end solution.

When a customer tries to sign in or access a service, an orchestration platform should be set up to collect all the desired data points before sending them to a decision engine. The engine can then analyse the data and evaluate if the entity is the customer they claim to be.

When the process for verification is joined up and data-driven, passive authentication becomes a reality. The customer enjoys a real-time, seamless experience – no password required – while the decision engine rapidly confirms their identity in the background. This is security and customer satisfaction all in one.

DON'T UNDERESTIMATE THE ENEMY

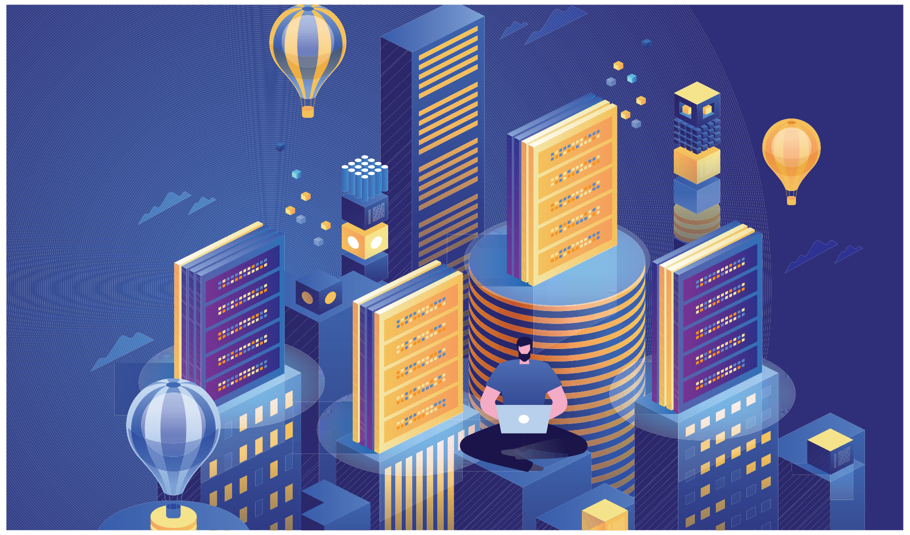
Cybercrime is fundamentally adversarial. A lone wolf or criminal outfit will probe every weakness in your verification system and will stop at nothing to breach your defences.

What's more, these hackers are constantly innovating and adopting new technologies to stay ahead of security measures. Even popular, tried and tested measures like two-factor authentication have already been compromised. You need to cover all your bases and ensure they have no place to hide, but that means constantly stress-testing and developing your security infrastructure. Crime doesn't rest, so neither can you.

This Christmas and beyond, you need to keep your ear to the ground and adapt your security measures to the latest attack vectors and techniques. **bt**

NIIT Technologies: helping financial services enterprises prepare for the post-digital future

Alex Hamilton, deputy editor, FinTech Futures, sits down with Gautam Samanta, global head of banking and financial services & head of Europe at NIIT Technologies, to unpack all the trends and developments this year brought



TELL US HOW 2019 HAS BEEN FOR NIIT TECHNOLOGIES

Our journey in the last 12 to 18 months has been nothing short of scintillating. We have been one of the fastest growing IT services companies in India and the road ahead looks very promising. Speaking of Europe, we have hit some key milestones:

1. Growth in business Our focus on expanding our business in Europe has paid handsome dividends. We have been growing at a faster rate than the company average. Revenue from Europe now contributes one third of our total business.

2. Major wins We have established and strengthened strategic relationships with a Fortune 100 high street bank, one of Europe's major central banks, UK government services agencies such as HMRC and taken over managed services for major charities in the UK.

3. Building capabilities In accordance with our digital strategy, we have acquired a niche company with deep digital integration capabilities with a primary footprint in Europe. We now have the largest pool of Mulesoft practitioners in the UK to support our clients.

4. Recognition NIIT has been rated as the best in business understanding in the UK by Whitelane Research. We have also been rated as leaders in the Nelson Hall NEAT result for our AI and RPA capabilities in financial services.

WHAT TRENDS AND TECHNOLOGIES DO YOU FEEL HAVE IMPACTED THE INDUSTRY IN 2019?

It is now as clear as day that the secular technology trends and the accelerating pace of technological change is on one hand driving unprecedented innovation while on the other disrupting the decades and centuries-old business models and processes in the financial services ecosystem today. Here are the top five trends that have impacted us the most:

1. Digital has become the mainstream Customers are now demanding their digital experience from their financial service providers to be equivalent to the services provided by tech giants such as Amazon and Apple. Providing great customer experience through a best-in-class digital front-end backed by a frictionless middle and back office is what every bank is trying to develop.

2. AI is making automation intelligent Our clients, which includes leading incumbent financial services companies, have no longer been content with using robotics and are trying to use AI to address key pressure points, reduce costs and mitigate risks.

3. Public cloud adoption has gained tremendous momentum It's no longer a "why" question for the enterprises but "how" and "when". We have been helping several key clients with migrating workloads at scale and speed to public cloud.

4. Cybersecurity is every CXO's priority With processes moving to the realm of digital, cyberthreats have also escalated. Cybersecurity is now one of the top risks facing financial institutions and we at NIIT have made key investments in building our capabilities to address the same.

5. "Customer intelligence" using data Advancement in analytics and new techniques in harnessing data has provided the enterprises with amazing opportunity to unlock the hidden information about customers and to provide them what they really want. Again, this is an area where we have seen major traction in 2019. Our digital practice has used our capabilities in platforms like SiteCore, SalesForce and Pega or built bespoke solutions using open source technologies for our clients.

WHICH OF THESE DO YOU SEE PLAYING A ROLE IN 2020 FOR FINANCIAL SERVICES FIRMS?

I would say all the above and in addition we would see increased usage of the so-called low-code-platforms like Appian to develop enterprise-grade applications at the speed of business change. Public cloud would become the dominant infrastructure model in the next couple of years. Also, integration technologies such as Mulesoft would have a significant play in providing seamless flow.

WHAT GOALS AND TARGETS DO YOU AS A COMPANY HAVE FOR 2020?

We see ourselves as a challenger to the scale-driven IT services model hinged on labour-arbitrage. We have client-centricity at the core of our business model. We have set aggressive yet real-time goals for our business in the coming years. One target that we have set for ourselves in financial services is to add two more Tier-1 clients into our list of customers and consolidate our position in the overall digital integration space.

WHAT ARE THE MAJOR CONCERNS OF YOUR CLIENTS? WHAT'S DRIVING THEIR TECHNOLOGY DECISIONS?

Gautam Samanta, NIIT Technologies

1. How to improve agility without escalating costs We are seeing investments going into modernising infrastructure, moving more workloads into public cloud, adopting the newer ways of working, moving away from monolith to microservices, improve utilisation of the enterprise platforms like Salesforce, Pega and using low-code platforms like Appian.

2. Cybersecurity It's already one of the top risks facing financial institutions and unfortunately it is not likely to change for the better in the coming years due to proliferating of digital technologies and moving towards a sharing economy where more and more systems would have to be opened up for seamless flow of information. We see investments in people, process and technology to manage and mitigate the cyberthreat across the industry.

3. Talent acquisition Banks are no longer able to attract the best technology talents particularly in the emerging technology space. Hence talent acquisition and management will become a key factor in technology decisions and overall transformation planning.

HOW IS NIIT SOLVING THOSE CLIENT CONCERNS?

NIIT is unhindered by the scale-driven business model and hence we have been investing heavily in building core capabilities in the digital transformation space. We have equally focused our domain along with technology to build real solutions. Our partnership strategy is also tuned to address the key concerns of our clients. For example, our last acquisitions have significantly bolstered our capabilities in Pega for BPM and PAAS capabilities, Appian for enterprise grade low-code app development, Mulesoft for digital integration and Cloudera for big data management. We have also made significant investments in our cloud services capabilities forging strategic partnerships with Microsoft, Azure and GCP. **bt**

Follow Gautam on Twitter @gsamanta123 and please connect on LinkedIn.

What's next for investment in tech?

By *Daniel Domberger*, Partner, Livingstone

Circumstances conspired to make 2019 a challenging year for private equity (PE). But it could prove a pivotal one for the industry and the fintech startups relying on its investment.

While overall PE investment levels remained high, and in some sectors made up for a reduction in international buyers acquiring UK businesses, activity slowed in two distinct periods during the year. The first was early in the year in the run up to the original 29 March Brexit deadline, the first date on which the UK was due to leave the EU. Investment in UK firms in the first quarter slowed in comparison to the end of 2018, to the previous year and in comparison, to other regions, such as the US (not altogether free of political upheaval), which saw less of a decline.

With uncertainty over the length of the extension continuing into April, activity in the second quarter was also subdued. Furthermore, no sooner had it begun to recover than the UK was faced with the election. Again, many investors and funds are left sitting on their hands.

Given the significant implications of the UK departing from the EU without a deal or a change of government, this is perhaps not surprising. But it is worth noting two points.

The first is that domestic political risk is back in a big way as far as investors are concerned. After more than a decade in which the political climate has been broadly favourable for private equity, political uncertainty is having a marked effect on activity, and investors are increasingly open about saying so.

Second, for fintech in particular, uncertainty over future regulations – and even which regulatory regime might be expected to apply – makes it harder for PE investors to back earlier-stage disruptive businesses. This means investors in 2020 are likely to focus on businesses with more established platforms and less grandiose ambitions. For example, established fintech businesses (not necessarily profitable) will be more attractive than disruptive startups. Those seeking capital for international expansion are more likely to find it if they are seeking a complementary pillar for an established domestic platform (perhaps as a Brexit hedge), rather than rushing to conquer all the white space at once.

Political uncertainty, therefore, looks likely to be, if not a continuing, then at least a recurring issue for PE investors in future and is likely to favour more developed fintech players. For the UK and London fintech sector overall, meanwhile, its status as the hottest European fintech start-up scene may be under threat from the likes of Paris if the uncertainty persists.

> "Investors in 2020 are likely to focus on businesses with more established platforms and less grandiose ambitions."
>
> **Daniel Domberger, Livingstone**

GROWTH V PROFIT: THE PENDULUM

Together with political uncertainty, there is one other big trend we saw in 2019 that will have consequences for the future for fintech, too: the shift away from revenue growth at any cost, towards a greater focus on underlying profitability and the path to an ultimate exit.

A number of big financial investors and particularly venture capital (VC) funds have invested massive amounts of money to grow firms that carry big overheads, on the basis that they will be extremely profitable at scale. The model has now proved extremely successful for a generation of companies initially highly-valued on a revenue multiple basis, and which have now 'grown into' those valuations that can be supported on the basis of their profitability too.

Nevertheless, lessons learned along the way are encouraging investors to refine the concept. The model works well for software, for example, with extremely high margins and low costs of delivery. For a number of other businesses, however, which leverage technology but are, in reality, more traditional in terms of their cost profiles and margins, the model has faltered: overheads grow along with the business or the margins mean a profitable scale may be out of reach.

In the past, many of these 'technology-enabled' businesses have been able to style themselves as tech companies and achieve much higher valuations than traditional businesses that, in truth, they closely resemble. That's as true in fintech as elsewhere. PE investors, however, are keener now to avoid these category errors.

In practice, the strength of the London fintech market, the continuing innovation and the appetite of many financial investors for the sector, and entrepreneurs' search for growth funding means we will continue to see deals done and significant successes. But we are likely to see two things as well.

First, greater discernment from financial investors when it comes to evaluating businesses and greater scrutiny of whether they really are technology platforms, are genuinely 'tech-enabled', or are just deploying commodity tech to run traditional businesses.

Second, an increased skepticism that headline growth is enough, and greater focus on underlying unit economics and the path to profitability and exit. This means we're likely to see some fintech firms re-evaluating the costs and benefits of public and private ownership. **bt**

Will legacy players win the war in 2020?

By *Steve Morgan*, industry lead for financial services in EMEA, Pegasystems

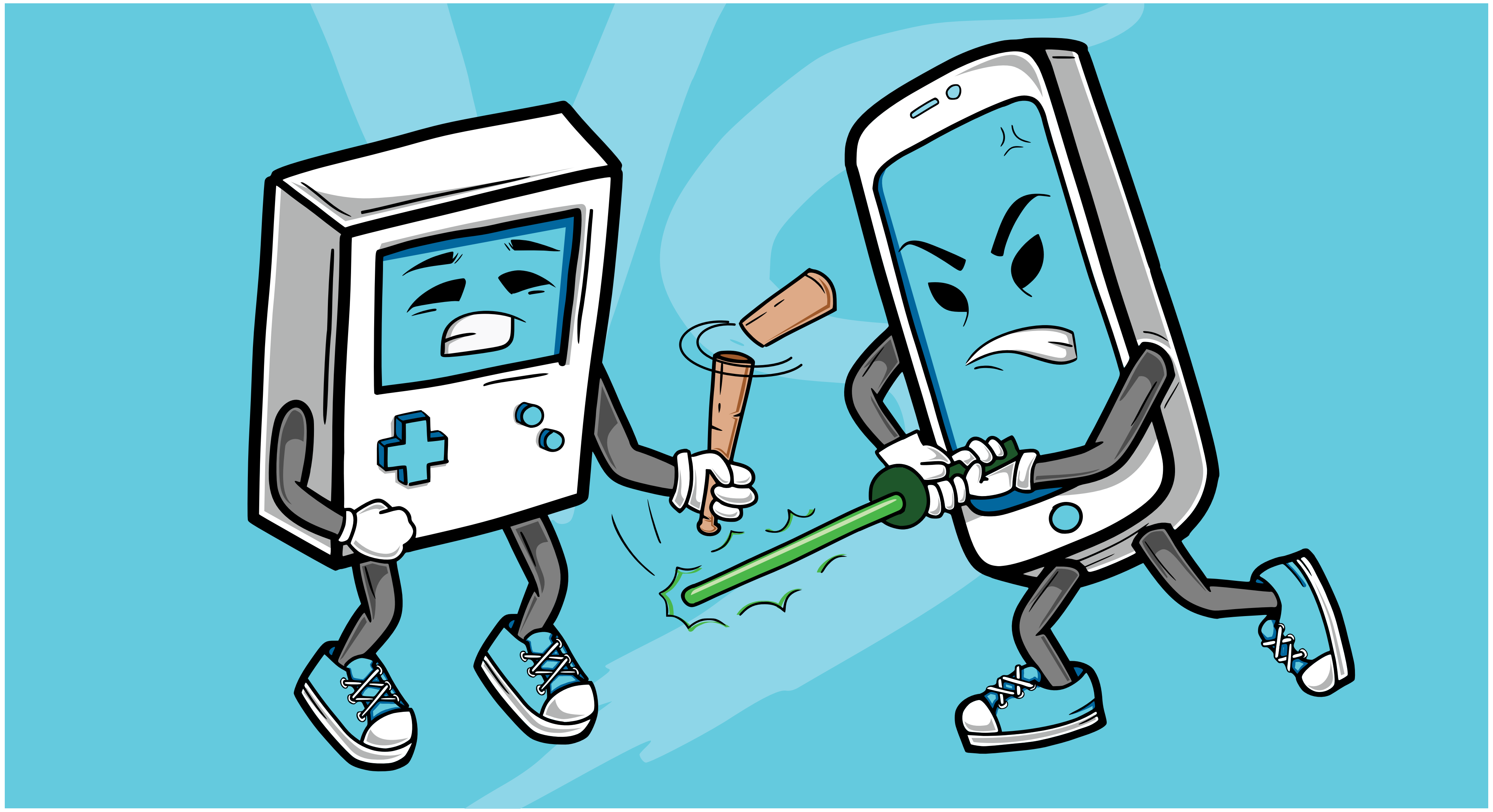
Over the past 12 months, the banking technology landscape has continued to feel the impact of the challengers, new AI technology, the evolution of open banking and the consolidation of businesses functions and business operations. But what does 2020 have in store for the banking industry? Here are my top predictions for the year ahead.

BRING ON MICRO ADVISORY-FOCUSED BRANCHES

The speed at which bank branches are closing will not abate. Yet, there are still some activities that will continue to require a face-to-face advisory service, primarily those related to lending and investment advice. As a result, we'll see more micro-branches popping up in our towns and cities, which will include focused areas on education (about products and using online banking), private zones for advisory and areas designed specifically for declining volumes of basic transactions.

CHALLENGERS STRUGGLE WITH DIFFERENTIATION

A majority of new fintechs have a limited spread of financial products. So, how can they keep their existing customers engaged and pique the interest of new ones? To continue their disruption, they will focus on perfecting customer experience and carving out their USPs, as well as expanding their variety of products to fuel revenue growth. However, a roadblock will be that they need a bigger balance sheet first before they can offer new products, for example with investing and borrowing.



OVERSEAS OPERATING CENTRES GET THE CHOP

About 15 years ago, there was one way to attack your cost base – outsource. But with the proliferation of AI and machine learning, if banks can automate more, it will be possible for them to reduce the number of operations and service centre staff. Consequently, it will be beneficial to have employees closer to their head office, their colleagues and the customer. This will help eliminate friction costs caused by management/colleague distance and time zone differences. Next year, improved AI, automation and next best actions will lead to the further consolidation of customer operation centres around the world.

MEET YOUR VIRTUAL BANK ADVISOR

As mobile banking becomes the norm and branches become education and financial advisory hubs, the problem that banks will face will be having the best people available in branch who can deliver these more complex services to their customers that cannot be undertaken online via a chatbot, for example. Making sure they have enough skilled people available at the right time is crucial: people won't wait half an hour in a branch anymore. Therefore, banks will further harness technologies such as video conferencing so financial advice can be offered virtually, as well as booking appointments online. There is a huge opportunity here to improve convenience for the customer.

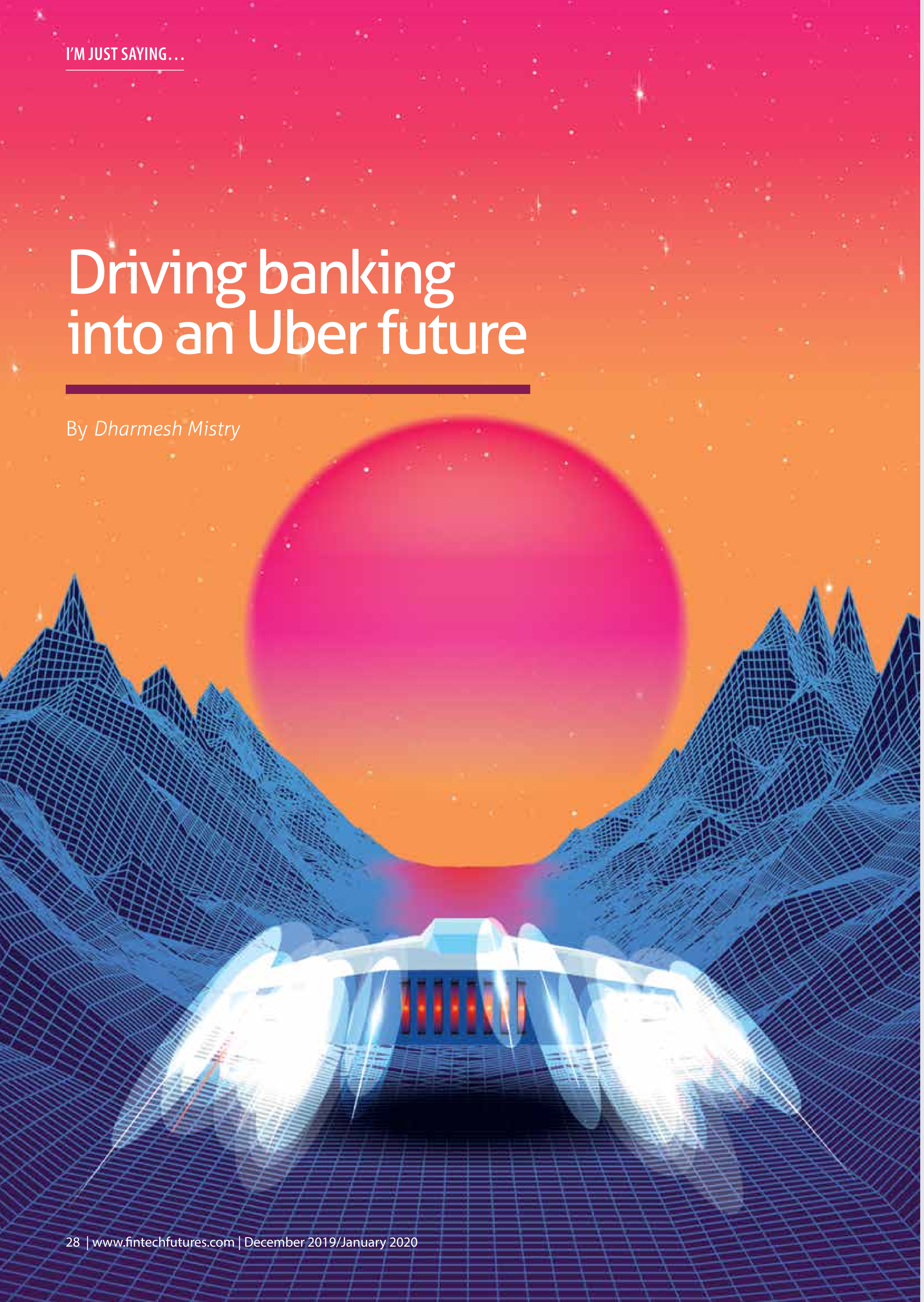
IT'S TIME TO RESTRUCTURE

At the same time, as banks move more of their technology to the cloud, on-going re-platforming, customer and regulatory demands have led them to think more about their strategy for how to best operate in an open banking world. Next year, more banks will realise that they need to be set up for three key technology areas: product, pricing and data. The knock-on impact will not just be technological but will also stimulate organisational restructuring as they try and eliminate organisational silos and determine how technology can be implemented to support these new business opportunities and threats.

> "Banks will further harness technologies such as video conferencing so financial advice can be offered virtually, as well as booking appointments online."
>
> **Steve Morgan, Pegasystems**

It is clear that commercial and retail banks alike are finally embracing all that technologies such as artificial intelligence have to offer, and it will be exciting to see how it accelerates the industry. Considering they are facing an extremely challenging year ahead, their investment in innovation has never been more important. Additionally, as consumers and businesses shift their banking habits ever more online, it will also be interesting to see whether banks can keep up with these preferences, and whether fintechs will continue to gobble up customers from legacy players.

If traditional banks can get their restructuring right and enhance their customer experience, then they should be able to fend off the challengers' charge. **bt**



Driving banking into an Uber future

By *Dharmesh Mistry*

In the not too distant future, we can see a world where your Uber is a driverless car, where the journey is totally personalised to your needs not only by the time and location/destination but also by the journey (fastest, scenic, economical) and comfort/car features.

The cost may not only be subsidised by the sharing, but also whether you are willing to watch ads or sponsored programmes. The car itself may be owned by several people as assets get tokenised; people will be able to invest in part-owning several cars rather than risking all their money on a single car investment.

In this scenario, we see a truly digital organisation. One without the five Ps that typically creates friction:

- People
- Physical money
- Process
- Paper
- Premises

Clearly Uber has these five Ps today; the difference is they are not seen by passengers and their customers. They are indeed a great example of frictionless commerce.

So, what can banks learn from this? It essentially boils down to designing the organisation and customer journeys without the five Ps, and adding them in where necessary or ensuring they add value.

PEOPLE

Uber has more than 22,000 internal employees globally, yet passengers will never meet any. However, drivers certainly may, as Uber have people that conduct checks on drivers to ensure their vehicles meet certain standards. While few customers realise Uber does this, most appreciate it. Both traditional and digital banks need to ensure staff are easily accessible when they need them most. While banks target 24x7x365 services, online banking operates human assistance only during official office hours.

PHYSICAL MONEY

Uber doesn't allow cash payments in the UK where there are high levels of banking, but it does in many countries round the world where there are greater levels of unbanked. For many countries, a cashless society is a long way off and this creates a challenge for digital banks. However, Monzo has partnered with retail network PayPoint, while Starling has partnered with The Post Office to handle cash.

> "The key difference between a digital organisation like Uber and traditional banks is that it has been designed from the ground up to be digital."
>
> Dharmesh Mistry

PROCESS

Uber has been designed to be frictionless for customers, but to ensure passenger safety local taxi regulations are adhered to via their five-step process before drivers can be onboarded. The process here has a clear and defined purpose. Traditional banks seem to struggle to make processes frictionless for customers; for example, many still require you to complete a paper form, which has to be taken to a branch to send money overseas. Such banks need only look at Transferwise to see how this should be done.

PAPER

For both customers and drivers, Uber handles documentation digitally so I've not been able to find examples of where paperwork is provided. However, from a customer perspective, Uber provides digital receipts that are far richer in detail than customers would receive from taxis that provide paper receipts. These can be printed by customers if needed. In comparison, banks do provide statements digitally; however, these are inevitably the same as those printed. Why not provide better detail for example by leveraging the insights from money management features in their apps? Or including relevant discount vouchers based on the customers spend?

PREMISES

Of course, Uber has physical buildings, but these are for staff. Here traditional banks have an advantage as they have branches customers can visit. Increasingly they are becoming modernised and provide an inviting, comfortable place to discuss your money and work. Digital banks such as Tangerine (Canada), Timo (Vietnam) and CheBanca (Italy) have all introduced branches to support their digital offerings.

The key difference between a digital organisation like Uber and traditional banks is that it has been designed from the ground up to be digital, only inserting a few of the five Ps where they add value and where it is absolutely required.

The challenge for traditional banks is that they have been designed using the five Ps. I'm not saying that this is an impossible transformation for them, I'm just saying surely it has to be easier to start afresh like their challengers. **bt**

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 AI and Virtual Reality. He has been on both sides of the fence and he's not afraid to share his opinions.

FOOD FOR THOUGHT

The Messy Middle Manifesto

By *Leda Glyptis*

This is a love letter. To the Messy Middle. And those who know it for what it is, stay with it anyway.

TO THE BUILDERS, I LOVE YOU

To those who have toiled and sweated, feared and at times despaired.

Those who had the vision and made it to the finish line without jumping to the next shiny thing or passing the thing, whatever it is, to the guy next to them. Those who stuck with the team and the work through the Messy Middle that looms inconspicuous and yet treacherous between the pristine start and the photo finish.

They know. They know the middle is messy.

One of my guys, a brilliant, intelligent human being, once said: "Well this is it, the Messy Middle, we are here. Anyone who has ever built anything knows this. And anyone who hasn't, doesn't."

Quite.

The Messy Middle is messy, what else is there to say?

Life is lumpy, to paraphrase Robert Fulgrum, and the middle is the lumpiest bit. It's where the beginning of it all seems naive and so far away and the end implausibly distant.

And you stick it out. Because you believe. Not just in your vision any more. Not just in the reason why you started this, whatever your 'this' is. But in the team. In the people you are doing it with and for. They are more real than any vision ever was when you are in the Messy Middle. The team. The partners. The clients.

The people you toil with and for. Be it a product or a revolution. The Messy Middle is hard for everyone. And equally baffling in its mundane terrors, irrespective of what you are trying to achieve.

The builders know that moment when the process of building itself separates the wheat from the chaff. The Messy Middle.

When it gets hard. And it gets real.

Want to know a dirty secret of the trade?

The builders love this bit the best.

Because they know that the fair-weather traveller will check out roundabout now. A few things explode. A few folks implode.

The builders know this is their time. This is when the team comes together, sleeves get rolled up and things come to life in ways that may not be the stuff of fairytales because they are better. They are real life.

TO THE STORYTELLERS, I LOVE YOU

Real life is amazing. But you may not even notice it happening in the chaos of keeping the Messy Middle going.

There is power in the telling.

When you are in the messy, noisy, chaotic middle, there are those who can still say, "can we take a moment?".

Because they see the story writing itself, before it is over – because, hey, a story with a beginning and an end is easy to tell and the messy middle gets glossed over in a montage or a gesture of vague reference to labour and toil between the glorious idea and inevitable success.

As if.

As if humanity's mightiest visions didn't die silent deaths in the quagmire of the Messy Middle and its toils.

So the impact of turning the messy middle into a relatable storyline? That is not nothing.

The ability to say: "Hold up guys, this thing you just did? That is your own special version of heroism and magic."

The way you handled that mundane human crisis that feels so immense to those involved and so banal to everyone else? The way you handled that avalanche of work and frayed nerves? The way you have handled yourself and your team over the past few months? Maintaining cadence and velocity and smiles all round while we are scaling, delivering, seemingly not ever sleeping?

Thank you for your humanity and grace, says the storyteller.

Thank you for embodying the reasons why we do all this, day in day out. Thank you for living up to our values and our reasons in the way you go about your work. In the way you speak to your colleagues. In everything you do. And don't do.

The storyteller finds the tale in the messy middle, where nothing dramatic happens. Where all the drama happens.

Where nothing final happens. Where all that matters happens.

The storyteller takes the most mundane, messiest part of creation and says to the stressed and overworked: "I see you. I see what you do and how you come together in the most glorious arc, connecting why we started to where we are going in the most elegant trajectory of integrity, consistency and humanity. Not to mention kick-ass tech."

The storyteller says to those toiling: I see you. And all you do. And it is glorious.

And although the storyteller matters, those toiling in the Messy Middle already know that their work is glorious.

TO THE PLUMBERS, ABOVE ALL, TO THE PLUMBERS, I LOVE YOU THE MOST

"Talk to me about file transfers."

I am not even joking.

If you are a techie, particularly in finserv, find yourself a team that loves the unsexy stuff. The middle of the stack. The middle of the road. The middle of the human journey.

> "We love the unsexy stuff. The stuff that is important, even if it is not flamboyant. The stuff that is the Messy Middle in more ways than one"
>
> Leda Glyptis

The people who look at the under-served, the over-charged, the excluded and marginalised and think "infrastructure".

They think about accessible loans, affordable mortgages and non-predatory pensions. About democratising financial services. About inclusion not at the community level. Not the product level. Oh no, no, no. At the plumbing level.

At the level where the costs are incurred, where the systems break down, where the excuses are made.

The people who don't look for the pretty and sexy answers to big problems but the sticky, messy, deep and real causes of problems. The people who dig deep into themselves and into the world we handed down to them, they look at their local politics, the state of mental health care in their community or, in our case, banking infrastructure and say "this won't do".

Nobody will write poetry about them.

But they are the true heroes of the Messy Middle, where everything that ever mattered takes place. Where everything that makes a difference happens. Where life, change and creation happen. Where products are built. Where dreams meet their match and come kicking, screaming, dented and bruised into existence. It's where life happens: in the Messy Middle.

And when you are in the middle of the journey, in the middle of the road and the middle of the stack and you look around you and you see a team, who have each other's back, who know why they are here, whose sleeves are rolled up and every hiccup and problem and drama and occasional explosion is part of the Messy Middle they know and love, and they close ranks and pick each other up and remind each other why we are here and that we always knew the Messy Middle was, well, messy.

And we knew because we love the unsexy stuff. The stuff that is important, even if it is not flamboyant. The stuff that is the Messy Middle in more ways than one.

This is for you. My team. My tribe. The dreamers. The builders. Who make change happen where it matters the most: where it is hard and invisible. And tell each other's story. And love the unsexy stuff that makes people's lives better.

Everything that matters happens because of you and people like you who stick it through the Messy Middle. Where everything that matters happens. Where everything that happens matters. Because and thanks to you. **bt**

Leda Glyptis is *FinTech Futures'* resident thought provocateur – she leads, writes on, lives and breathes transformation and digital disruption as chief of staff at 11:FS and CEO of 11:FS Foundry. 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 visit our website for more of her articles.

Fintech funding round-up

This month, Figure looks to move into student financing after Series C funding boost, Virgil aims to help first-time house buyers, and the European Investment Fund eyes AI

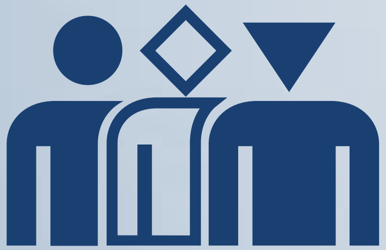
Figure Technologies, the US start-up created by SoFi founder Mike Cagney, is about to close $103 million in Series C funding, according to papers filed with the Securities and Exchange Commission (SEC).

This fundraising, which has already secured $58.8 million, follows Figure's $65 million Series B round in February 2019 and a company announcement in May 2019, which said it closed "an up to $1 billion uncommitted asset-based financing facility" – in other words, short-term funding – on its own blockchain Provenance.io from investment bank Jefferies and Wilmington Savings Funds Society (WSFS).

All of Figure's financial services business happens "entirely" on its blockchain, according to TechCrunch.

The huge interest from investors comes as the fintech edges into the student financing space which Cagney told American Banker was a $1.4 trillion market. Having begun catering home loans to older customers, Cagney's Figure is now competing with his old company SoFi, which offers private student loans.

In 2017, Cagney lost his job as CEO at SoFi following an investigation into sexual misconduct at the firm. He then co-founded Figure with his wife June Ou, who was previously CTO at SoFi.



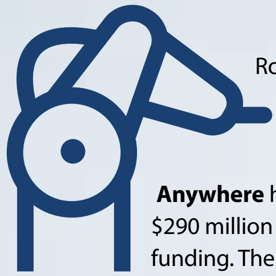
Harlem Capital has upgraded from angel syndicate to full-fledged venture capital fund, closing its debut effort on an oversubscribed $40.3 million.

The firm was launched by managing partners Henri Pierre-Jacques and Jarrid Tingle in New York City's Harlem neighbourhood in 2015. The pair have since graduated from Harvard Business School and hired two venture partners, Brandon Bryant and John Henry, and two senior associates to help expand their portfolio. The over-arching goal: invest in 1,000 diverse founders over the next 20 years.

"We fundamentally believe we are a venture fund with impact, not an impact fund," Pierre-Jacques tells TechCrunch. "The way we generate impact is to give women and minority entrepreneurs ownership."

Capital from Harlem Capital Partners Venture Fund I, an industry-agnostic vehicle that invests in post-revenue businesses across the US, will be used to lead, co-lead or participate in $250,000 to $1 million-sized seed or Series A finance.

To date, the team has backed 14 companies, including B2B feminine hygiene product Aunt Flow, gig economy marketplace Jobble and pet wellness platform Wagmo. Harlem Capital plans to add another 22 businesses to Fund 1. With its first fund close, it becomes one of the largest venture capital funds with a diversity mandate.



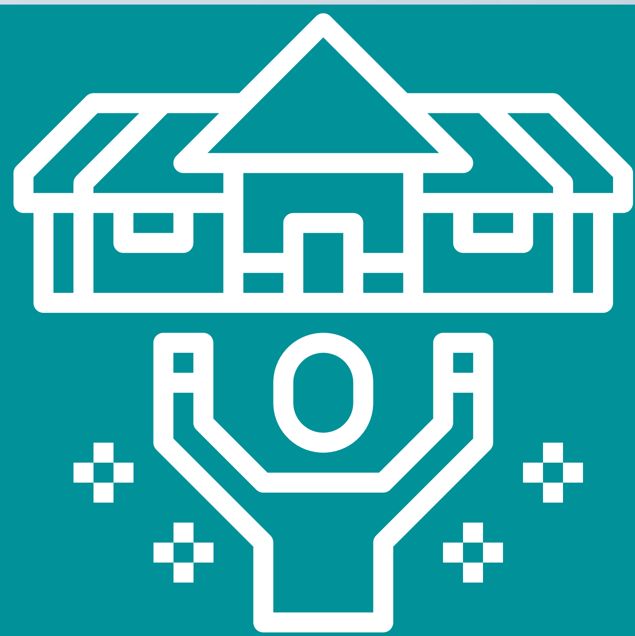
Robotic process automation (RPA) firm **Automation Anywhere** has raised $290 million in Series B funding. The funding was led by Salesforce Ventures with additional funding from existing investors, including Softbank Investment Advisers and Goldman Sachs.

Automation Anywhere plans to use the new funding to "accelerate its vision to empower customers to automate end-to-end business processes".

It will also be used to "advance the company's focus on improving human-to-bot collaboration through attended automation", which it hopes will result in "enhanced customer experiences and increased employee productivity".

SoftBank-sponsored Automation Anywhere raised $550 million in a Series A fund in 2018, featuring General Atlantic, Goldman Sachs, NEA, World Innovation Lab and Workday Ventures.

"Never before has there been such a transformative shift in the way we work, with artificially intelligent software bots changing how people, processes and technology interact for productivity gains," says Mihir Shukla, CEO and co-founder of Automation Anywhere. "This new funding reinforces the promise of the RPA category and empowers our customers to achieve greater business agility and increased efficiencies by automating end-to-end business processes – bridging the gap between the front and back office."



French fintech start-up **Virgil** has raised €2.1 million in its first round of funding to help millennial first-time home buyers get a leg up on the property ladder.

The newly-funded Paris-based company offers future buyers a capital contribution – not a loan – in exchange for co-ownership of the property purchased.

With the ability to provide up to €100 million per home, Virgil will make a 10% contribution for 15% of the apartment. The first-time homeowner can then later decide whether they want to sell their apartment or buy Virgil's share after ten years.

Virgil relies on an average contribution by the home buyer of between €40-50,000, and will charge a fee of up to €2,000 once the transaction is signed.

The funding round was backed by French funds Alven Capital and Kima Ventures, as well as the seed fund investor for City Mapper, Zoopla and Transferwise, LocalGlobe, and a group of angel investors.

"Becoming a homeowner is the first step in building up one's net worth," Virgil's founders Keyvan Nilforoushan and Saskia Fiszel tell Tech EU. "We launched Virgil to enable everyone to take this first step in the best possible way."

The founders say the price per square metre in Paris has gone up 150% since 2000, but that disposable income hasn't changed. This leads Virgil to dub the imbalance "the stone ceiling".

Instead, the start-up wants to create a "fluid, digital purchasing process" where young home buyers don't compromise because of financial constraints.

Founders Nilforoushan and Fiszel both come from years of experience at British luxury brand onefinestay, which became a €148 million acquisition by French multinational hospitality company Accor Group in 2016.

Initially offering the capital help to home buyers in Paris, Virgil has not commented on where it will be expanding to next. By 2021 it hopes to have landed 5,000 transactions and plans to launch a fortnightly newsletter called Spoon to educate people on financial wealth management.

The **European Investment Fund (EIF)** is launching a dedicated investment scheme with €100 million available to artificial intelligence (AI) and blockchain-focused venture funds and investors.

With the help of the European Commission (EC), the EIF says it wants to address the "blockchain and AI financing gap in Europe".

Off the back of this investment scheme, the EIF is expecting to see €300 million generated for AI and blockchain-focused ventures from other private investors 'crowding in'.

Beginning in 2020, the EIF says it will increase capital further still through the scheme by allowing co-investments with national promotional banks.

In a blog post, the EIF said its partnership with the EC "could be a powerful force [in the market] for setting regulatory and legal precedents, driving a clarity of language and easing the path to regulation on both AI and blockchain in Europe".

"AI and blockchain can only change lives if they can be commercialised and used. We're looking forward to making that happen," the EIF adds.

According to the EIF, funding in these technologies rarely gets beyond the proof-of-concept stage in Europe. "Only a handful" of closed venture capital funds invest in blockchain in Europe, compared with more than 50 such funds in the US. As for AI, the UK invested $18.24 million into the technology in 2018, which was just 1% of its $1.74 billion fintech venture capital investment total, according to Innovate Finance's 2018 FinTech report.

The EIF wants to change these numbers and create "a dynamic EU-wide investors community on AI and blockchain".

Ask the expert

Continuing our regular column designed to provide readers with practical advice on how to grow their businesses. Our resident expert is *Greg Watts*, the founder of Demand Creation Partners, a London-based growth consultancy that helps fintechs and payment firms to scale. He was previously head of market acceleration at Visa Europe.

QUESTION

HOW CAN I GENERATE AWARENESS AND INTEREST IN MY FINTECH WITH LIMITED RESOURCES?

It's an age-old challenge: you've created a killer proposition, identified your target audience and have a clear go-to-market plan. However, you're missing one thing – interest from potential clients. So, what is the best way to get in front of decision makers to convince them to buy your offering?

It's a common misunderstanding that generating awareness of your business will cost a lot of money and take a lot of time, particularly in the fintech industry. Many businesses I've worked with have seen a surge in interest as a result of small yet focused activities – with little financial investment, if any.

Here are some tips to raise awareness of your business without spending a fortune.

1. Go deep to understand your target audience

In previous columns, I've stressed the need to define and understand your target audience. However, it's often the case that fintechs don't go deep enough. Once you've identified your target prospects – the companies you want to sell to – review each one to identify functional areas and specific people to engage with. For example:

- Which departments are key to your efforts? It's likely there will be multiple – finance, procurement, marketing, customer experience and so on – so your outreach will need to incorporate targeted messages for each.
- Once you have generated this list, identify key titles – for example, do you want to target C-level, VP level or start at a more junior level? Going to the wrong person too early may have a damaging impact later on.

Once you've built a detailed picture of your target audience, you can identify cost-effective channels through which to connect with them.

For example, active participation on LinkedIn, speaking at targeted events, getting involved in forums and writing about your area of expertise are all great ways to identify, reach and engage with potential prospects.

2. Become a LinkedIn expert

In my opinion, LinkedIn is the most important communications channel for fintechs. This is because:

- It costs nothing to connect with people on LinkedIn (albeit you may have a monthly limit based on your package). Start with a free account. As you build momentum, it may make sense for you to buy a premium package that will provide more insights and ways to connect.
- Most businesspeople are active LinkedIn users. This means you can reach prospective investors and potential partners simultaneously with relatively low effort.
- LinkedIn provides an opportunity to participate in relevant discussions and share your point of view. Add questions to your LinkedIn posts to increase engagement and comment on wider conversations by responding to relevant posts or themes.
- You can create targeted, low-cost demand generation campaigns to attract and engage with target audiences. Advanced analytics will allow you to see click-through rates, engagement rates and other insights that can help you hone and sharpen your approach.
- Finally, if you haven't done so already, start a LinkedIn company page and post content regularly – two to three times per week is about right. However, make sure the content is relevant to the people you want to target.

3. Start speaking and writing

Industry publications, events and forums are always on the lookout for interesting and engaging speakers or contributors. With a little effort and a well-considered presentation, article or quote, you can quickly raise your profile among target audiences for zero cost. Here are a few suggestions to get you started:

- Consider joining networking groups or clubs focused on helping fintech entrepreneurs and business owners pitch their ideas and connect with potential prospects and investors. Home Grown in London is one example of a club that fosters and cultivates British businesses.
- Identify journalists who write about your area and approach them on LinkedIn. Pitch yourself as an industry expert who can provide insights for relevant articles.
- Research industry events and approach the organisers to offer yourself as a speaker or panellist.

As a bonus, the content you produce from your speaking and writing can be used throughout your marketing channels to amplify your messages. You'll soon have an engaged group of followers who consider you a thought leader in your space.

BRINGING IT ALL TOGETHER

Raising awareness of your business doesn't need to cost the earth. In fact, with careful planning and the use of the right tools and channels, it can cost virtually nothing.

The key is to deeply understand your target audience, ensure you have a presence where they engage, and create content that resonates. You'll see a correlation between the time you put in researching and gathering insights, and the number of qualified leads you produce.

If you have a question for Greg and would like a practical, no-nonsense answer/advice, please get in touch! We'll be answering your questions in this column – free and open to everyone.

You can post your questions in the comments section online, email Greg at greg.watts@demandcreationpartners.com and/or FinTech Futures' editor, Sharon Kimathi at sharon.kimathi@fintechfutures.com, or get in touch with Greg on LinkedIn.

Movers and shakers

Wells Fargo's CEO Charlie Scharf has taken another step towards reshaping the bank's senior management team, hiring **Scott Powell** to be chief operating officer.

Powell, who had been serving as the chief executive of Santander's US operations, will start next week. He previously held senior positions at Stone Point Capital, JP Morgan and Citi.

Monzo has hired a Visa executive to lead its US business as it ramps up efforts to become a fully-fledged bank in the country even though complex rules have deterred some rivals. **TS Anil**, Visa's global head of payment products and platforms, will join the digital bank early next year. Anil has also held senior roles at Standard Chartered, Citibank and Capital One.

French-based global payments platform **Ingenico** has announced the appointment of its director of risk, **Panteha Pedram**, to the Merchant Risk Council's European Advisory Board.

The board, founded in 2000, is a global trade association which connects and educates ecommerce fraud and payments professionals. Pedram has spent more than four years at Ingenico ePayments, before which she spent time at universities in Finland, Portugal, Norway and the Netherlands completing her Bachelors, Masters and PhD, which covered education studies, politics and governance, policies and philosophy.

UK challenger bank **OakNorth's** partnerships chief **Amir Nooriala** has left the bank after just six months in the role.

The business and property loan provider for small to medium businesses (SMBs) saw Nooriala act as its chief operating officer for a year prior to being in charge of the bank's partnerships, which saw relationships founded with the likes of Monzo and Clearbank.

She comes with more than six years' experience from Travelex and shorter stints at Barclays and JP Morgan.

Finastra has hired **Lisa Fiondella** as chief data officer to lead data strategy, including how data is collected through the FusionFabric.cloud platform and various cloud-based solutions. She will be responsible for developing a data product roadmap and manage the process of bringing new data products to market.

Fiondella brings with her an extensive background spanning data, analytics, financial services, product management, product development, marketing, sales and operations. She most recently served as vice president of analytic products for Experian, where she was responsible for developing analytic products harnessing vast data assets and advanced analytics, including machine learning and AI.

Former ASOS chief technology officer, **Bob Strudwick**, has joined **Sonovate**, a UK technology and cashflow provider to companies using contingent workers, as its new CTO. Strudwick will oversee Sonovate's product roadmap, driving forward the technology that has already transformed thousands of businesses using contingent workers, including recruitment agencies, consultancies and on-demand marketplaces, to unlock their growth potential.

Revolut has appointed **Pierre Decote** as its new group chief risk officer (CRO).

Decote arrives from Prodigy Finance, a fintech which finances international post-graduate students. He will be joined by fellow new recruits ex-Goldman Sachs head **Jason Burgess**, ex-HSBC director **Ed Simmons** and ex-Barclays' chief executive **Daniel Gordon**, who will be acting as heads of liquidity risk management,corporate structuring and operational risk management respectively.

EVENTS CALENDAR

December

05: 20th Banking Technology Awards, London
awards.bankingtech.com

08-11 Marketplace Lending & Alternative Financing Summit
opalgroup.net/conference/marketplace-lending-alternative-financing-summit-2019

January

28-29 Paris Fintech Forum 2020, Paris
parisfintechforum.com

30-31 Digital Transformation in Banking Summit, Singapore
dtbsummit.com

February

11-13: Finovate Europe, Berlin
finance.knect365.com/finovateeurope

March

24-26: RiskMinds Insurance, Amsterdam
duxes-finance.com/insurtech/index.html

24-27: Money20/20 Asia, Singapore
asia.money2020.com

31: Women In FinTech Summit, London
re-work.co/events/women-in-fintech-london-2020

April

20-24: Innovate Finance, London
innovatefinance.comlondon-2020

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