banking technology

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THE ROARING 20s
How the way we pay will change forever

LOOKING INTO THE CRYSTAL BALL
Find out what's in store for financial services in 2021

REINVENTION
The lessons banks can learn from Bowie and Madonna

Produced by FINTECH FUTURES

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REGULARS

EDITOR'S NOTE

Sharon Kimathi
Editor, Banking Technology

"Realistic optimism" – that's the outlook for the world this year, according to the CEO of Santander, Ana Botin. She believes that the "vaccination is the most important economic policy for 2021". People's health, safety and well-being are of paramount importance this year as we continue to battle with the coronavirus pandemic and its new strains.

As comedian and song-writer Eric Idle once wrote "always look on the bright side of life". Although this period of uncertainty hasn't changed this year, the vaccine roll-out brings hope for a better day ahead. This month's contributors were equally optimistic about the interesting changes that lie ahead for the fintech industry in 2021.

Miroslava Betinova, head of strategic sales at PPS, provides her top predictions for what the rest of this year might have in store for the world of financial services and fintech. She foresees an increase in Gen Z-focused marketing strategies and a expects to see a greater shift towards climate-friendly investments.

Dean Wallace, director, consumer payments modernisation at ACI Worldwide, shares his insight on the payments trends that will come to fruition by the end of the decade. From Request 2 Pay (R2P) launching across Europe to usher in contact-free payments, to a surge in collaboration between banks and Big Techs.

We hope you find this month's edition of the magazine illuminating and informative.

FINTECH FEED

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The story of the GameStop share price

Alex
@alex
Trading apps: Here, have zero-cost trading and options access, go wild

Also trading apps: Woah not like *that*

Emily Nicolle
@emilyjnicolle
Elon Musk said he liked Cyberpunk $CDR

THE NUMBER GAMES

$347.50

GameStop's stocks rise to $347.50 per share in January due to the retail investors on the subreddit "r/Wallstreetbets", despite online brokers halting its trade

$23bn

Affirm, a San-Francisco buy now, pay later (BNPL) fintech, closed its public listing with a market value of more than $23 billion

500k

Black-owned US challenger Greenwood Financial hits 500,000 sign-ups in 100 days

$5.3bn

Visa and Plaid have called off their $5.3 billion merger, following pressure from US regulators for the two parties to drop the deal

$117m

BBVA is shutting down its direct banking service subsidiary, Simple, after paying $117 million for it in 2014

4,000

The number of financial services firms that have "low financial resilience" and are at a "heightened risk of failure" due to COVID-19, according to the UK's Financial Conduct Authority (FCA)

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THEY SAID IT...

"Even without a merger with Tinkoff, Yandex will create their own bank, and this bank will also grow fast, and I will have three nightmares – Yandex, Sber and Tinkoff!"

Vadim Kulik, VTB's deputy president and chairman

NEWS ROUND-UP

Revolut sets sights on India with remittance service

UK-based fintech, Revolut, is planning on introducing instant worldwide money transfer to and from India at no cost, as its flagship offering. Nik Storonsky, co-founder and CEO of Revolut, tells the Times of India (TOI), that the fintech is in talks with the Reserve Bank of India (RBI), local banks and fintech start-ups for the launch. Its plan is to offer borderless accounts to Indians which can be used across the US, Europe and Australia.

FCA calls on banks to reconsider branch closures during pandemic

The UK's Financial Conduct Authority (FCA) issued a warning to banks asking them to reconsider their planned branch closures in light of pandemic-induced restrictions. The warning arrives after HSBC announced the closure of 82 branches in January, set to take place between April and September this year. The regulator cites small businesses, as well people that have not yet migrated to online banking, as demographics which could lose out due to the closures.

N26 mulls acquisition despite net losses tripling in 2019

German challenger bank, N26, is mulling its first ever acquisition, despite losses climbing 310% to €216.9 million in 2019. The digital bank, which hit the seven million customers mark in January, tells CNBC of its plans to buy a company. Maximilian Tayenthal, N26's co-CEO, mentions trading, know your customer (KYC) firms and fintech players "in our space that have a good customer base", as potential targets.

Absa launches digital bank Spot Money in SA

South Africa-based Absa Bank has officially launched its new mobile banking platform called "Spot Money". The open banking platform integrates with various bank and payment services. The platform was spun out of Virgin Money South Africa, which rebranded in December 2020. The rebrand followed Absa's discontinuation of the Virgin Money SA credit card.

Stripe leads big investment in one-click checkout fintech Fast

US-based paytech, Stripe, has led a second round of funding with a $102 million Series B for San Francisco-based fintech, Fast, after injecting its first investment into Fast less than a year ago as part of its Series A. Two-year-old Fast has enjoyed exponential growth in the last year, mirroring the unprecedented growth of its lead investor, who is now reportedly chasing a $100 billion valuation.

86 400 is second challenger to exit Australia with $169m NAB merger

86 400, a Sydney-based digital bank targeting retail consumers, has agreed to sell to National Australia Bank (NAB) for AUD 220 million ($169 million). The digital bank obtained its banking licence back in 2019, and will be combined with NAB's digital offshoot, UBank. In December, fellow Australian challenger Xinja collapsed, marking the 86 400-NAB merger as the country's second challenger exit in just a month.

TRENDING

GameStonks

A disparate collective of Reddit users, via the forum r/wallstreetbets, caused a spectacular meltdown on Wall Street. By buying en-masse into GameStop (and to a lesser extent, AMC and Nokia) "stonks", the internet community rocketed the price of $GME to over $300 a share for a time, and sent hedge funds that bet against the ailing retail chain into turmoil. Robinhood, amongst other retail investment apps, started limiting the capacity of their users to buy into these stocks, sending the prices back down to earth as popular endorsements (notably from billionaires Mark Cuban and Elon Musk) encouraged the Redditors to hold on. If the disproportionate earnings of hedge fund managers are supposedly justified on the grounds that larger risks reap larger rewards, one must question the moral (and legal) legitimacy of such a justification in a market context in which retail investors are literally frozen out of the systems that allow them to purchase stock in order to protect the shorting decisions of institutional finance. Here's to a little disruption; as the meme goes, "$GME to the moon!".

Woolard Review

The Financial Conduct Authority (FCA) has expressed its intent to tighten regulation around the unsecured lending market and buy now, pay later (BNPL) fintechs, following the Woolard Review. Regulators and members of parliament advocated a crackdown on these products, as their popularity is increasing amongst millennials and Gen Zers, despite the lacking job security and rising unemployment due to the economic effects of the coronavirus pandemic and years of austerity. Labour MP Stella Creasy referred to Klarna, Laybuy, and Clearpay as "the next Wonga waiting to happen". The regulator aims to put customer protection first, as providers will be subject to FCA rules and will need to undertake affordability checks before lending to ensure customers are treated fairly. A welcome victory for consumer protection.

Digital fraud

As someone who had their card hacked three times last year, the latest fraud figures from the Office for National Statistics (ONS) came as no surprise. Two of the three fraud reporting bodies, Action Fraud and UK Finance, reported increases in the latest year. UK Finance has reported a 61% increase in remote banking fraud, which equates to 61,752 incidents, whilst Action Fraud reveals social media and email hacking fraud jumped 53% to 14,241 offences in the year ending September 2020. Action Fraud also highlighted a 27% increase in "online shopping and auctions" fraud in the latest year (to 77,670 offences), which could be down to the increase in online shopping. The data reveals a huge challenge for digital banks in the UK as cybercriminals take advantage of the digitalisation of society.

Shut down shop

2021 has already seen the closures of the likes of Scalable Capital in the UK, BBVA's Simple and Goldman Sachs' Clarity Money in the US, and 84 600 in Australia. The latter was sold to National Australia Bank (NAB) and merged into NAB's UBank subsidiary, whilst Simple was sunsetted as a result of the acquisition of BBVA's US business by PNC. Consolidation will continue to play a significant role this year as the economic effects of COVID-19 continues to hurt profit margins.

Green finger

Just hours after being sworn in, new US president Joe Biden, immediately reinstated the US to the Paris climate agreement. Biden aims to implement measures to stimulate environmental, social and governance (ESG) investing and his choice to head the Securities and Exchange Commission (SEC), Gary Gensler, reflects a more regulatory-driven approach to ESG investments as opposed to a focus on optional standards and policies. Gensler was active in implementing the Dodd-Frank Act and policing the "Wild West of finance".

Trendwatch: checkouts, wealthtech and SCA

Our resident Gen Z'er, Ruby Hinchliffe, shares her three predictions for 2021

1 BANKING WILL CONTINUE TAILING PAYMENTS

I can't speak for all Gen Z'ers, but I know if I have to enter my card details to buy something, then the probability of my buying said item will decline by around 75%. And if it's an impulse buy – which, in lockdown, it likely is – thinking about it for too long makes me feel instantly guilty for entertaining the purchase in the first place. That's why the majority of venture capital (VC) investments are going into payments-focused fintechs, rather than challenger banks. Optionality at the checkout, with various alternatives to plugging in your card details, will always triumph over banking app functionality.

There's an ever-growing number of fintechs operating payments businesses with no intention of getting into banking. Fintech start-ups facilitating a burgeoning list of embedded payment options – such as Stripe, Checkout.com, Affirm, and GoCardless – have continued to drive the decentralisation of global finance from banks to end-user platforms. A wave which kicked off in the early days of e-commerce with the launch of PayPal's digital wallet to support its owner at the time, eBay.

Richard Arundel, Currencycloud's co-founder and "chief evangelist", tells me the rise of embedded finance through 2021 will continue to "propagate the uncoupling of payments and finance from the traditional banking system". He points out that banks – historically monolithic entities where all financial transactions and services took place – are seeing their roles in society change. And this, Arundel says, is what's going to "underpin the second wave of fintech innovation".

2 WEALTH MANAGEMENT SUDDENLY BECAME SEXY

Whilst the volatility of 2020 brought with it a boom in day trading, the continued rock-bottom interest rates globally are encouraging young people to think more long-term when it comes to investments. That, paired with the energy these spiking markets have demanded from their investors this past year, is shaping an appetite for more expertise. Queue that sexy, two-word phrase: "wealth management".

As Bloomberg reporter, Kamaron Leach, notes in an article published in late January: "Even day traders and people who prefer set-and-forget index fund investments have come to realise that there's a lot more components involved in building wealth".

Robo advisors have, as a result, enjoyed significant growth in the last year. Charles Schwab's digital advisory assets, for example, grew 18% year-over-year to $57.9 billion in 2020 alone. But more than this, day traders have, for some years now, called for human-based investment advice. A 2019 Investopedia survey of young adults with household incomes of $50,000 or more found more than half (56%) trusted a human financial adviser over an automated one.

3 A FIGHT FOR THE NEXT BEST PAYMENT METHOD

With Secure Customer Authentication (SCA) under the Second Payment Services Directive (PSD2) set to be implemented by the UK's online commerce market in September, and already here for wider Europe, it doesn't seem outlandish to predict cards will soon be displaced for other payment methods.

When SCA was announced, it sent ripples through the industry. Not only has it been a regulatory beast for firms to wrap their heads around, it also seriously threatens the default "pay by card" option. It adds security steps to drive down fraud which players anticipate will drive up shopping cart abandonment.

The regulation has already seen merchants migrate to alternative payment methods. Be that offering deferred payments which avoid paying at checkout, buy now, pay later options, or bank transfers. Cards are still the most popular payment method on e-commerce platforms in the UK, according to JP Morgan. Post-September, I think we'll really start to see this dominance shift in favour of bank transfers and digital wallets.

LEADERSHIP: 2021 PREDICTIONS

What's in store for financial services in 2021?

By Miroslava Betinova, head of strategic sales at PPS

If there is anything that 2020 has taught us, it is the need for speed when it comes to the adaptation of services and their delivery. The world was changed overnight with the arrival of a virus that challenged and shook our daily lives to the core.

Across many sectors, organisations worked quickly to help provide services and solutions to support the changes people and businesses were having to make to adapt to new requirements. In particular, the payments and technology industries provided a lifeline not only across the corporate world, but for consumers too, making our day to day lives easier. As part of this progress, it meant that users were able to interact within the retail space in a safer manner through the use of contactless technologies that helped to prevent the spread of the virus. Here are my top predictions for what the rest of this year might have in store for the world of financial services and fintech.

YOUR MARKETING STRATEGY WILL FOCUS ON GEN Z

Putting spare change and birthday money into a ceramic pot in the shape of a cute farm animal was no doubt one of the first financial management activities we are all likely familiar with. The days of the piggy bank are long gone for today's youth, who now have real-time balanced application programming interfaces (APIs) to count their pennies for them. For Gen Z, it is customary for birthday money to arrive via bank transfer, and for different APIs to track and even prevent their spending.

As such, it's the quirky add-ons, funky features and "cool factor" additions that will appeal to this generation who were practically born with a smartphone in their hands that will give your financial products an edge. Gen Z will swiftly become a main target market for financial services, so their expectations should be taken seriously. If you can turn it into a #instastory you can sell it – step aside Strength, Weakness, Opportunity, and Threat analysis (SWOT), it's time to ramp up the "likes".

FINTECH WILL WEAR GREEN

This time last year, Australia was on fire, young climate activists were skipping school on Fridays, and people of all generations were taking to the streets with recycled banners to speak out for the planet.

The need for climate change was recognised more than ever before within every sphere, and the fintech sector was no different. Most of us complete at least one financial transaction everyday – if not several (for those of us with a slight online shopping addiction!) – so it is only prudent to understand how our purchasing habits, investment choices and the cards we carry in our wallet, impact the only home we have.

It's refreshing to see that climate change and environmental awareness are shifting their position in the world of finance. What was once just an obligatory tick-box exercise is now a central focus and driver behind companies' strategies and product design. As with everything else that's hip and trendy, there will no doubt be many more jumping onto the green band wagon this year. But don't just take their word for it – do your homework to truly understand how your selected financial services provider contributes to environmental protection.

> "My advice to you is to listen to the angel – invest a lot in your product and invest even more in your compliance."
>
> Miroslava Betinova, PPS

COMPLIANCE WILL CONTINUE TO BE THE ANGEL ON THE SHOULDER OF EVERY SUCCESSFUL FINTECH

Whilst "product suitability" and "speed to market" are the words on every fintech's lips, the long-term success, scalability, and resilience of newly launched ventures depend heavily on compliance. It's not sexy stuff, and it certainly won't be the source of the latest TikTok trend, but understanding the implementation and rigours of compliance will be well worth it.

One of the advantages of start-ups is that they usually have a big and resilient partner behind them with a strong understanding and knowledge of the "do's and don'ts". I have often been reminded of the importance of listening. So, my advice to you is to listen to the angel – invest a lot in your product and invest even more in your compliance.

INNOVATION WILL SHIFT INTO SIXTH GEAR

The question I hear so often when speaking about new start-ups is: "does the world really need another challenger bank?". Probably not. But do other sections of financial services (that we use less frequently but are still an important part of our interaction with money) need a fintech makeover? Absolutely, yes!

Imagine a world where pensions, mortgages, charitable donations, or early salary payments can be processed in a less tedious, paperwork-free way. 2021 will deliver innovation to the areas of financial wellbeing that we usually dread dealing with. Enhanced by open banking, new start-ups will bring users closer to their mortgage repayment plans, or provide a credit card facility free from the financial debt and anxiety that often accompany them. Innovation will be shifting up a gear in this sector, so buckle up – it should be an exciting ride!

IT'S ABOUT MORE THAN JUST LOYALTY STAMPS

As the UK, Europe, and wider world continue their battles with COVID-19, the High Streets will continue the battle for survival. Mobile payments and NFC technology are already ensuring a contact-free shopping experience for those who choose to venture out from the comfort of their homes, but the role of online shopping and e-gift cards will step up a notch also.

E-Gift cards to help with school meals or to say thank you to dedicated key workers will become available. Using a prepaid QR code they'll be treated to free meals at the end of what must feel like an endless shift. Virtual high-fives and digital thanks will be a big theme throughout 2021.

No one knows exactly what the future holds, but one thing is for certain: fintech will be part of it.

2021: The year to inspire better banking

Sanat Rao says the time is right to invest in back-end systems change

The disruption and change throughout 2020 means banks have a unique opportunity to get ahead of their competition, but some hard decisions need to be taken.

That's according to Sanat Rao, chief business officer and global head at Infosys Finacle. While the front-end experience may be up to scratch, he says, work remains in the back.

"In the last few years, banks have invested a lot in modernising the front end," says Rao.

"They didn't pay attention to the back end. It's not unusual to have modern technology at the front end and legacy systems at the back end, which will be 30 to even 50 years old."

Rao adds that before COVID, many large banks had begun to address their back-end systems. "After five or more years of heavy investment in engagement and experience technologies, they have realised not doing anything to the back is not the right way of going forward," he says.

Old roadblocks to core change are crumbling away. "Costs were seen as too high, and the risk seemed too great," says Rao.

While concerns over risk have not gone completely, new technologies and strategies make change at the heart of a bank a less daunting prospect.

As far as cost is concerned, the creation of an ecosystem through the use of APIs and cloud deployment can drive down prices to acceptable levels.

"Quite a few banks have moved in that direction," says Rao. "Now many solution providers, including ourselves, make the entire tech stack componentised."

That modularity is going a long way to solving the traditional fears of bank CEOs and CTOs. "You're no longer required to replace the whole thing," says Rao.

"You can sort things out piece by piece based on the technology the bank chooses and wants to move forward with."

Rao says that while core replacement or augmentation will never be a "cheap" exercise, banks have woken up to the idea that it needs to be done, and with the right tools, sooner rather than later.

Infosys Finacle is focusing on a strategy of "inspiring better banking" in 2021 and beyond. This, says Rao, is based on four major pillars.

"One is 'how do we help banks engage better?' The second is 'how do we help them innovate better?' Then we ask, 'how do we help them operate better?' And last, but not least, 'how do we help them transform better?'"

All these questions are ultimately underpinned by a fifth pillar: technology. Finacle is promising to support banks and financial institutions revamp their infrastructure and better prepare for the future.

"There's going to be a fundamental restructuring in the way that banks leverage technology," says Rao.

"I think a lot of the notions that we have in the past about what was required have been utterly dispelled because of the changing necessities of the last 12 months."

The 2020s: how the way we pay will change forever

By Dean Wallace, director, consumer payments modernisation at ACI Worldwide

Undeniably, 2020 was a big year for payments. Despite, or rather because of the past 12 months, the way we pay for everything from food shopping to clothes and essentials has changed significantly. The drive to halt the spread of the virus has seen the volume of digital payments increase exponentially. With 80% of consumers reporting they have made more contactless payments than ever, and nearly a quarter (24%) of these consumers making more use of their mobile wallets.

In the midst of another national lockdown in the UK (currently underway in January at the time of writing), and more on the horizon across Europe, it's clear the move to contactless and contact-free is well and truly underway. But looking further than the next 12 months, 2020 set in motion a number of other payments trends that we will likely see come to fruition by the end of the decade.

CONTACT-*FREE* WILL REPLACE CONTACT*LESS*

Consumers started to move from contactless to contact-free in 2020. Eschewing physical form factors such as cash and plastic in favour of mobile-based payments when allowed out and about, and opting to shop online from the comfort and safety of their home wherever possible during the first, strictest lockdown.

With Strong Customer Authentication (SCA) now in place across Europe, and mandated for the UK by 14 September 2021, we will start to see even more consumers become at ease with using their mobiles while making payments. Under SCA, consumers are required to authenticate themselves via codes sent as text messages, extending the consumer/mobile bond into a myriad of purchasing experiences, paving the way for enhanced customer experiences with user-friendly biometrics offered through bank and mobile wallet providers, thus replacing the text message stepping stone.

While text message codes are a definite step in the right direction, this extra layer of friction could at first seem clunky to some. Though to others, having some security friction will be most welcome amidst increasing financial crime. This confrontation between convenience and security is age-old in payments, and banks should move to iron out the kinks in their customer journeys to enable faster adoption. A key example here is Request 2 Pay (R2P), launching across Europe now, ushering in contact-free payments which we will see become the norm by the end of the decade.

REAL-TIME PAYMENTS WILL BECOME STANDARD

The events of 2020 shone a light on how having instant payments and access to cash is no longer a nice to have, but a necessity. While banks have been investing heavily in access to real-time payment rails across Europe for a number of years, the critical task for this decade will be how they embed instant payments into the consumer journey.

A key driving force behind answering this question is the bank-led European Payments Initiative (EPI). EPI will introduce a new card that will enable physical point of sale purchases (still seen by some markets to be the prize target), settling funds over the instant payment rails. In addition, EPI will also provide digital wallet capabilities, expected to leverage R2P, and underpinned by the same instant payment rails. These wallet capabilities will be implemented to enable European digital wallet providers, such as Bizum in Spain, to offer payments with a standard set of European rules to govern the EPI consumer payments ecosystem.

As such, real-time payments are moving away from being about just the connection. When augmented with modern digital capabilities, real-time instead is looking to what value can be added to the consumer payments journey that enriches the experience, changes payment habits, and helps keep a customer, or snag them from a competitor. While there will likely be a hype curve towards the end of 2021, in the next three to five years we will see full adoption start to manifest with real-time payments in use across most, if not all, consumer payments use cases.

EUROPEAN BANKS WILL GET INTO BED WITH BIG TECH

There's been a big increase in payments activity across GAFA (Google, Apple, Facebook, Amazon), over the last few years. Already live in India at huge and growing volume rates riding the real-time rails, through partnering with Plaid in the US, Google Pay has taken their India success to launch a new mobile-wallet which acts as a pseudo bank account. As well as offering direct connection to bank accounts accessed through Plaid's APIs.

In comparison, WhatsApp Pay, also now live on real-time in India, launched in Brazil last year on a cards rail, but was stopped by the central bank. With Brazil's real-time scheme PIX now live, the central bank publicly acknowledged the need to

> "In the next three to five years we will see real-time payments in use across most, if not all, consumer payments use cases."
>
> **Dean Wallace, API Worldwide**

get WhatsApp Pay up and running with PIX, thus catapulting the new real-time scheme into ubiquity and large-scale usage. Dramatically reducing card transactions and non-domestic revenues as a result.

Apple and Amazon are also increasingly playing a role in real-time and digital. Apple Pay has a universally acknowledged acceptance mark, and although constrained to only cards today, following the Google route seems likely with "PayByBank" capability increasing in demand. As for Amazon, with an increasingly accepted Amazon Pay brand for e-commerce, alternative credit, one-click functionality, and already being live in India with UPI real-time payments, broadening into new markets seems quite likely.

But Big Tech is not restricted to GAFA alone. A lot of markets are also seeing their growing Big Techs leveraging and expanding in this space. Grab Pay, for example, in Singapore started off as a taxi hailing app, then expanded its service to include a very well penetrated digital wallet, and experiences in other verticals such as ticketing, and hotels. Another such example is Paytm in India, in the top ten global unicorn list, which started its life as bill payment only service, before offering wallet capability.

The onset of Big Tech into the payments space brings a natural friction with consumer payments providers into the landscape. With more and more consumers choosing to manage their finances through the likes of Apple Pay, will we see a swing to Big Tech for payments in Europe, or will the EU ecosystem adopt its own digital wallet habits, driven by EPI?

In Europe at least, the likelihood is that banks will collaborate with Big Tech, at least for a while. Banks will get instant access to a mass pool of consumers through WhatsApp and Facebook channels, which both sides desperately want to serve. This not only opens up consumer acquisition possibilities with fast mover banks stealing customers from other banks, but also makes banking and payments services really easy to use – keeping existing customers happy. For Big Tech, the benefits of working with banks, not against them, are founded in behavioural economics. Access to payments data enables them to build an even more complete picture of an individual consumer, increasing customer stickiness, whilst driving up marketing data revenues.

Undeniably, 2020 accelerated many of the trends that were already starting to emerge in the payments landscape. And while contact-free and instant payments will not become ubiquitous overnight, by the end of the 20s they will be the norm. Stay tuned for a super exciting decade.

The five

s of banking

By Dharmesh Mistry

Since the birth of formal banking, banks have relied on the "five Ps" – people, physical cash, premises, processes and paper. Customers could not bank without being exposed to the five Ps. However, in the digital era, banking can be done on the internet, hiding bankers and bank tellers from the customer, who no longer even needs to visit a branch (premises).

Physical cash is being replaced by digital payments. Processes and paper are being removed by "frictionless customer journeys". Whilst this digital transformation is not complete, we are much more advanced than you would think.

However, one thing that has not changed is the segmentation of customers. Banking today still focuses on mass market retail customers, the wealthy and businesses. Within these segments some basic sub-segmentation is done, like the creation of student accounts or basic business banking for contractors and small and medium-sized enterprises (SMEs). The speed in which new products could be brought to market and distributed was limited by the five Ps. Additionally, the breadth of products was limited by cost and complexity of educating sales teams.

In the digital era, these constraints do not exist. The reach is national or global depending on your vision or ability to execute. The initial neo-banks have focused their competition on lower cost of operation by being purely digital. However, banks are seeing leaner margins and growth is piling on cost which reduces profitability. These banks have simply replicated incumbents with a digital approach, better banking at lower cost. Initially, what differentiated these new players has been better digital service, frictionless onboarding processes and slick digital self-service interfaces.

Is there another way? What could be different? We are starting to see the emergence of experience driven banks. The key difference these banks offer is a "re-segmentation" of banking. These new players are finding customer segments with unfulfilled needs and aiming to facilitate their entire customer journeys. This will inevitably mean that they go beyond banking in the products and services they provide, so much so, they do not always "appear to be a bank". Often, they will start without a banking licence, distributing third party banking products instead and taking referral fees. Eventually they may get a banking licence although this is optional. The key is how they go beyond banking and the best way to understand this is through some real examples.

One approach is taking a key life stage and managing the journeys for that life stage. For example, StorkCard manages customer journeys for new parents. It helps them to understand the cost of being a parent, it helps with financing the cost and managing money through a period when parents have a choice to pay for childcare or give up work. It helps with getting discounts on baby products. Its focus is on helping parents focus on the new child and not worry about the finance. Not only is this purpose led, it is built on a profitable business model. Whilst this is a niche segment to start with, it is easy to see how StorkCard can extend its focus on parents to extend their offering through the lifetime of their child: school fees, university fees, wedding costs, deposit on a home.

Another niche player is First Home Coach (FHC). It consolidates the entire process of saving up for and buying your first home. Incumbent banks help with mortgages, but FHC helps you find a solicitor, surveyor, utility deals and it will continue to add services to become a one-stop shop for everything you need to do to get your first home. It marries a rich set of services with content that educates and guides a buyer through the entire journey from saving to owning a home, it's not just about the mortgage. In the case of FHC, it is not a bank but by owning the journey, it is key to helping the buyer find the right mortgage. Eventually with the data it will gather, it is possible to see it launching its own specialised products.

> "To be experience driven requires an initial focus on a specific customer segment and right now there are new players addressing key life stages and lifestyles."
>
> Dharmesh Mistry

My own new venture, Askhomey.com, focuses on the experience for households. Initially it focuses on managing property data (documents: manuals, warranties, receipts, images, facts: room sizes, layout and construction), managing tasks (maintenance, repairs, finance, projects) and managing finances (bills, subscriptions and accounts). Additional journeys like selling/buying or renting properties will be supported in the future. The key point is that all journeys will be supported through a single platform and backed by a rich ecosystem of suppliers (trades, products, services etc) to fulfil end to end journeys for households.

To be experience driven requires an initial focus on a specific customer segment and right now there are new players addressing key life stages and lifestyles. There are three key features for managing experiences:

- **Aggregation** of third-party products and services to build end-to-end journeys.
- **Orchestration** of third-party products and services to fulfil frictional customer journeys.
- A rich **ecosystem** of third-party products and services.

Previously, I've also given examples of Coconut (a bank for contactors) and Hammock (a bank for landlords). Each of these goes beyond banking and both now face competition from me-too variants of their proposition. This is a good sign that experience driven banking is gaining validation and momentum. Another positive sign is the creation banks focused on new segments, such as banks for entrepreneurs, banks for farmers, or for the Black, Asian and Minority Ethnic (BAME) community. Each going beyond banking to provide products and services to fulfil the complete needs of that specific customer segment.

I'm not saying all banks have to move to this model or that this is the only model for banks going forward. I am saying there is a new compelling model in banking, and it is experience driven.

Dharmesh Mistry has been in banking for 30 years and has been at the forefront of banking technology and innovation. From the very first internet and mobile banking apps to artificial intelligence (AI) and virtual reality (VR). He has been on both sides of the fence and he's not afraid to share his opinions.

How banks can be more like Bowie and Madonna

By Teodor Blidarus, founder and CEO of FintechOS

When we think of reinvention in popular culture, it's hard not to think of Bowie and Madonna.

We're four decades into the chameleonic Queen of Pop's career, but there's one thing that Madonna has never been: uninspiring. To this day, her 1984 MTV VMAs performance remains one of pop culture's most infamous and legendary moments. Through the countless albums that followed, Madonna has maintained her status as one of the prototypical inventors of pop reinvention, refusing to "stay in her lane".

Then take David Bowie, four years after the amazing triumph of The Rise and Fall of Ziggy Stardust and the Spiders from Mars, Bowie moved to Berlin, and went undercover. He only surfaced again in response to the emergence of punk. From here on in, Bowie would reinvent himself every 18 months or so.

What does any of this have to do with banks, I hear you cry? Bowie and Madonna were masters of reinvention to maintain relevance. They understood there was a shelf life to Like a Virgin or Ziggy Stardust. And that continuous reinvention, rather than revolution, is the key to success.

Banks must be anchored in the present just like Bowie and Madonna. They need to reinvent themselves to remain relevant to the actuality of society – whether political, economic, social or technological. And like Bowie and Madonna they must build a platform for this continuous change.

DIGITAL VS. DIGITAL NATIVE

To better compete and improve operational efficiencies, financial institutions large and small have embarked on digital transformation journeys. However, for many the journey has no clear end-goal and with limited returns to date, transformation has stagnated.

Data from the International Data Corporation (IDC) revealed that 70% of all digital transformation initiatives did not reach their goals. And of the $1.3 trillion that was spent on digital transformation in 2018, more than $900 billion went to waste. As pressure mounts to deliver services that are digital, data-driven and easily connected to third-party networks and applications, institutions face "death by digital transformation".

The problem? There is a big difference between "digital" and "digital native". Rather than seeing the internet and mobile revolutions as exactly what they are – revolutions – banks are simply using digital as channels or add-ons, not game-changers that rewrite the rules of the industry.

Institutions have simply replicated a transaction-centric banking business model and technology architecture in a digital environment. This represents a huge missed opportunity.

TECHNOLOGY LITERACY

Fintech influencer, Chris Skinner, recently wrote a blog on the difference between "cloud-based" and "cloud-native". Skinner cites Ravi Kittane, Financial Services Technology Consulting lead at PwC Malaysia, who said that the reason banks' digital transformation efforts fail is for three reasons:

- Lack of alignment between top-level management, transformation teams and teams deploying the new capabilities;
- Failure to automate end-to-end business processes (such as customer onboarding, account opening) resulting in fragmented solutions; and
- Inability to build organisational capabilities and talent to sustain continuous development beyond initial proof of concepts.

Even further, Skinner believes that the reason why 70% of all investment in digital is wasted by banks, and the reason why the likes of Bó never live up to expectations, is because a bank doesn't

see technology as core to its mission. Rather it is simply a means – a means to deliver services or support customers.

So, we have a dilemma. Banks need to digitise to survive but they struggle to do this effectively on their own. What should they do?

PUT DATA AT THE CORE

The answer rests in data, banks must put data at the core. Data is information, used correctly it is insight. And banks have incredibly valuable data. They know what consumers buy, where they buy it, and when. This data is the foundation for reinvention and allows banks to quickly build and become what customers and prospects want and need.

The awkward truth is that for most banks it's less about having a state-of-the-art tech capability with an army of developers. It's about giving employees, customers and partners the ability to imagine and create new products and services. By putting data rather than tech capability at the core, institutions can focus on extracting value from existing systems and creating and automating new data flows and value paths.

This is much more sustainable than on legacy rip and replace. And there are three key aspects to this:

- **Becoming data-driven.** Big tech companies are setting the pace of change, harnessing swathes of data to continuously deliver new and better services and experiences. Banks are also sitting on a data goldmine, but aren't putting it to use. To compete, they need to build an API economy integrated with internal and external data sources to drive automation and personalisation. This results in unique customer experiences based on a "single source of truth".
- **Adopting automation.** Many banks have a general understanding of their customers and/or customer segments. But few have a deep understanding at the individual customer level. Operationalising the use of customer data to form actionable insights that inform the customer conversation in real-time, across all touchpoints, is dependent on automation. Only by driving automation can institutions deal with data at scale to deliver personalised, seamless user experiences while dramatically reducing operational costs.
- **Empowering customers and employees.** Banks don't just need "technology", they need technology that empowers their business at all levels – from operations and management through to staff, agents and their customers. Technology must deliver the seamless and frictionless omnichannel journeys that users want while providing their teams with the operational tools to support and deliver them, irrespective of location.

This isn't about building a new mobile app or launching a marketplace with fintech partners. This is laying the foundation for continuous change, for constant reinvention where products make way for customer journeys that are built and modified in real-time based on data. Those journeys are created, personalised and scaled using automation. And this can all be driven by employees and customers without the need for IT expertise.

REINVENTED AND READY TO CHANGE

This isn't about a single revolution or a long-term evolution – banks need to continuously reinvent themselves. To date, institutions have simply replicated a transaction-centric banking business model in a digital environment, rather than embracing digital in open arms and shifting towards a data-centric approach.

Banks need to be less like revolutionary Napoleon, or evolutionary theorist, Darwin, and more like Madonna or Bowie who quickly and consistently reinvented themselves to adapt to change and stay relevant.

A thing apart

By Leda Glyptis

What about tears that are not about life outside the office walls, but life inside them?

Tears need gravity.

Did you even know that? I didn't.

I read it in "An Astronaut's Guide to Life on Earth". And, of course, it makes sense. Your tear ducts will still produce tears in a vacuum, but the tears won't fall. You will not get the single, dramatic, rolling tear in a vacuum. You won't get the snotty, weepy mess. Tears need gravity.

Emotions will be there, in a vacuum. Of course. Whether you see them or not. But their expression is not an act of will. It is a function of context. And as @CurtQu will tell you: context is everything.

And that is what I want to talk about today.

The office as context. Because even when we are working remotely, in our pyjamas and sock feet, the office is still there. Framing and underpinning what conversations are meant to happen and how. And no, I am not suggesting for a moment that I want to see people cry in the office. I don't. But if they feel like crying, I don't want them to feel they can't because they are in the office. If the tears are linked to a break-up. A loss. Fear. We can be there as humans who spend more time with each other than with our own families.

But what about tears that are not about life outside our four walls, but life inside them? Tears linked to work. I have heard sobs when going into the ladies' loo in many a bank. I have had male colleagues, eyes brimming with unshed tears come into my office and shut the door just for a place to hide away from the accusatory openness of the open plan floor. It's not called the bull pen for nothing.

Tears of hurt. Rage. Impotence. Tears linked to work. But crying at work is what teenage waitresses do, right? We don't cry in the office, when we work in a big bank. Even when it's the big bank's fault. Or the fault of the people the big bank has long tolerated.

WHAT AM I SAYING?

I am saying I have worked in big banks for 17 years and I have seen a lot of unshed tears. Linked to work. And I say it's time we face them.

Because the person crying is often the last person responsible for fixing whatever the issue is.

We have long built work environments that are based on logic, fact and process. Transactional relationships, unemotional metrics, measurable commitments. Yet we also, and despite it all, encourage imagination and creativity, urge innovation and cooperation beyond structured incentives. Expect conversations around risk, projections, aspirations, corporate ambition to coexist with leaps into the art of the possible. We expect people to bring all of their best traits to work in a context of grudging tolerance. We expect people to work it out. We ask for their best days. And give no space for the average days or the bad days. All emotional, non-factual, non-concrete vectors dressed up in desperate KPIs and sober bar-charts disguising the need to nod at hope and fear, instinct and giddiness.

Try as we might to package emotion as logic, business relies heavily on a whole gamut of non-rational positions. Not irrational. Just not deriving solely from fact and logic.

Only we don't call them that.

And, to add insult to injury, we seek to harness the upside only. As if emotions can ride the crest of a joyful wave forevermore, never falling, never dipping, never getting wet.

Real life is a bit more complex than that.

Creativity comes with frustration and confusion.

Collaboration comes with vulnerability which may invite hurt, misunderstanding, tension. Anger.

Innovation comes with risk, a bit of craziness, mistakes and false starts which, in turn, come with insecurity, doubt, conviction, hope, despair.

And that's before we have allowed for anyone to be a real human outside the office. With parents. Children. Partners. A terrible commute. A sick dog. A hangover. A cancer scare. Or a diagnosis.

Humans whose lives outside of work is how they get to be the colleagues we rely on, the professionals we admire, the ideas-generators and work-horses we count on. Humans whose personal journeys outside the office make them who we hire and choose to work with and have lunch with and go down the pub with (you know, when it was a thing that happened). And yet whose lives outside the office and feelings (in and out of the office) become a thing apart.

And we have become so accustomed to carrying the burden of that separation, so proud of our unemotional industry of rational, measurable outcomes, that we have stopped acknowledging how crazy this is.

Far from being rational and unemotive, our industry actively demands the positive impact of emotional presence (call it loyalty or commitment) and emotional investment (passion, creativity, ideation) and non-rational aspiration (strategy, innovation, expansion) but giving space to our teams to be complete humans seems to be thought of as a personal managerial style choice.

When it should be corporate 101. Up there with giving your teams hardware, notebooks, tools. Respect.

If I want the upside of your emotional investment in the work, I should invite your full emotional presence into the workplace. And that means I will respect your silence when you don't want to talk about what is going on at home, and will learn that we all express and experience things differently and develop the language of bridging the gaps between each of our emotional realities because, you know what, not only is there no universally recognisable semiology, there is also no moment-in-time snapshot that captures where we all are.

So developing the language to navigate this unspoken world is not a wishy-washy bit of kumbaya. It is good management. It is good business.

Yes because happy people work harder. But more importantly because the best work, all invention, all creativity, comes from a place fraught with emotion.

And teamwork, trust, and support come from a place of pure emotion.

Measure till the cows come home. You can't change the basic fact that humans feel their way around the world and the office is no exception so, as a leader, your choice is not whether to be empathetic and present.

That is not a choice. There is no choice, in that. If you are not empathetic and present you have failed right out of the gate.

Your choice is how you enable (without forcing) and invite (without mandating) your team's presence in all its emotional and rational glory to take "getting the job done" to the next level of deriving a shared purpose.

> "Crying at work is what teenage waitresses do, right? We don't cry in the office, when we work in a big bank. Even when it's the big bank's fault."
>
> **Leda Glyptis**

A sense of direction.

A bridge from me (the private individual) to us (not just my family and friends but the team of complete humans I spend my days with at work) to the big world out there that seems much more accessible and much more our responsibility if we come at it from a place of presence, purpose and awareness that the way life feels is very real and the only thing we achieve by not acknowledging it is missing potential synergies, bright synapses over our shared ground, the comfort of our shared humanity and the sense of being in this (whatever it is) together.

Try that with your team.

Offer that to your colleagues.

Demand that from your boss.

Create the context.

And then – only then – let's talk about your retention numbers, productivity and utilisation scores and return on equity.

#LedaWrites

Leda Glyptis is *FinTech Futures'* resident thought provocateur – she leads, writes on, lives and breathes transformation and digital disruption. She is a recovering banker, lapsed academic and long-term resident of the banking ecosystem.

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

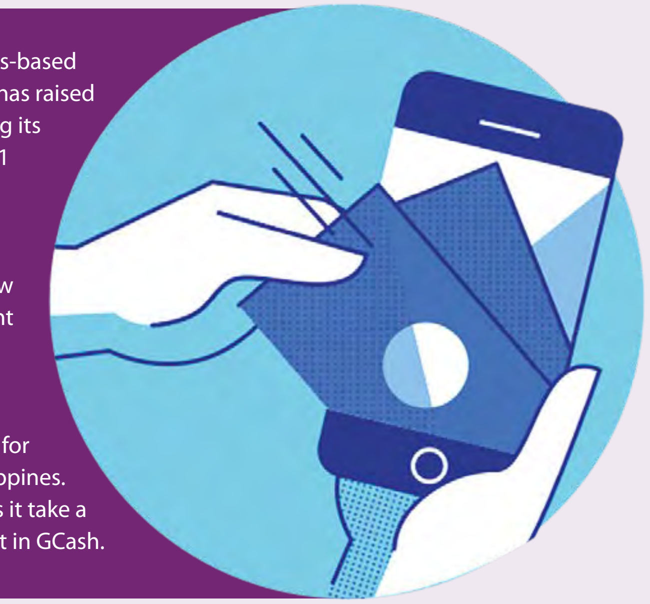
Follow Leda on Twitter (@LedaGlyptis) and LinkedIn (Leda Glyptis PhD). Visit our website for more of her articles.

FINTECH FUNDING ROUND-UP

GCash, a Philippines-based mobile wallet firm, has raised $175 million to bring its valuation close to $1 billion in total.

ASP Philippines, a partner fund of New York-based Bow Capital Management led the financing round.

Bow Wave's investment is a first for the firm in the Philippines. Part of the deal sees it take a minority investment in GCash.



Perenna, a UK challenger bank hopeful, has landed $10 million in funding ahead of securing its banking licence for a Q3 2021 launch.

The start-up's convertible debt funding attracted a host of investors – such as Kevin Flaherty, the former head of structured products at Deutsche Bank. Tony Mallin, a managing partner of Star Capital, also participated in the round.

The start-up's latest funding round adds to a previous £1.5 million raise, according to The Times, which brings total funding to date to around $12 million.

The fintech lodged its banking licence in the last quarter of 2020 and hopes that the Prudential Regulation Authority (PRA) will approve its operations by the summer.

Checkout.com, a London-based e-commerce payments provider, has landed the status of Europe's most-valued venture-backed fintech.

With its latest $450 million Series C round, the start-up has landed a valuation of $15 billion – triple its last valuation seven months ago.

The fundraise was led by new backer Tiger Global. Greenoaks Capital also joined the round, alongside existing investors Insight Partners, DST Global, Coatue Management, Endeavor Catalyst, Blossom Capital, and Singapore's sovereign wealth fund GIC.

Berlin-based credit card fintech, **Moss**, has raised €21 million in a Series A round led by Peter Thiel's Valar Ventures.

Joining the PayPal co-founder's firm in the round are existing backers, Cherry Ventures and Global Founders Capital.

Moss aims to provide a corporate credit card to replace expense reports and manual employee spending processes.

Utah-based fintech start-up, **MX**, has raised $300 million in a funding round led by private equity firm TPG Capital.

The Series C saw additional funding from new and existing investors, including CapitalG, Geodesic Capital, Greycroft, and Cota Capital.

Glia, a New York-based start-up providing customer services technology for banks, credit unions, and insurance firms, has landed a $78 million Series C funding round.

Led by Insight Partners, a backer of Shopify and Checkout.com, the round pushes Gila's total funding raised to-date to $107 million. Don Brown, founder and CEO of Genesys-acquired Interactive Intelligence, also invested in the round.

"Glia plans to expand every department across its organisation," the fintech says. It will also use the fresh capital injection to explore "strategic acquisitions".

Mambu, a Germany-based Software-as-a -Service (SaaS) cloud banking platform has raised €110 million funding round, securing a $1.7 billion valuation.

The round was led by TCV, Tiger Holdings, and Arena Holdings, whilst Bessemer Venture Partners, Runa Capital, and Acton Capital Partners also participated in the investment.

Mambu says it will use the new funding to "accelerate its rapid growth" and deepen its footprint globally.

Indian business-to-business (B2B) e-commerce and payments firm, **Udaan**, has raised $280 million in funding through its extended Series D. This brings its total funding to above $1.2 billion.

Octahedron Capital and Moonstone Capital make their debuts investing in Udaan. Existing backers Altimeter, DST Global, GGV Capital also took part.

The new funding is targeted at boosting Udaan's presence in the market and improving its ability to serve small businesses.

Times of India sources report that the latest round values Udaan at $3 billion.

Grab, a Singapore-based ride sharing turned "super app", has landed a $300 million Series A funding round for its fintech arm.

Led by Hanwha Asset Management – one of South Korea's Big Three – the round also saw participation from early Grab backers, K3 Ventures and GGV Capital. Flourish Ventures, the venture capital firm funded by eBay's founder Pierre Omidyar, and Arbor Ventures, also participated in the round.

It says it will use the funding to keep serving Singapore's unbanked population. Southeast Asia as a whole houses an unbanked population of around 290 million, according to US credit agency Fitch Ratings.

Twisto, a Czech Republic-based buy now pay later (BNPL) firm, has raised €16 million in Series C funding in a round led by Elevator Ventures and Zip Co.

The firm is putting its new cash to furthering its plans of expansion across Europe. It has raised €50.5 million in total funding across nine rounds since 2013.

Twisto has positioned itself as both a challenger bank and a payments disruptor in recent years. Its existing investors include ING Ventures, Finch Capital, and Uniqa Ventures.

Indonesian fintech, **Alami Technologies**, has raised $20 million in equity and debt funding in a round led by AC Ventures and Golden Gate.

Alami offers Shariah compliant peer-to-peer (P2P) financing for micro, small, and medium-sized businesses.

The debt financing round, which also included investor Quona Capital, arrives a year after the firm closed $1.5 million in seed cash.

The firm aims to expand rapidly into healthcare, farming, logistics, and groceries. Alami believes it has already distributed IDR 310 million ($21, 963.93) since its launch.

US-based digital lending firm, **Blend**, has raised $300 million in a Series G funding round led by Coatue and Tiger Global.

The capital will "fuel Blend's next phase of growth" and support investment in its products and services.

Blend says it helps streamline the customer journey for any banking product. It ranks Wells Fargo, BMO Harris Bank, and US Bank among some 285 customers.

The Series G is Blend's largest to date. It has raised $665 million in total across nine rounds stretching back to 2012.

Rapyd, which describes itself as "a global Fintech-as-a-Service company", has closed a $300 million Series D funding round led by Coatue.

Existing investors General Catalyst, Oak HC/FT, Tiger Global, Target Global, Durable Capital, Tal Capital, and Entrée Capital took part in this round as well as several new ones, including Spark Capital, Avid Ventures, FJ Labs, and Latitude.

"2020 experienced a massive acceleration in the adoption of local and cross-border digital payments, which has fuelled tremendous global growth for Rapyd," the company states.

Rapyd's valuation now stands at $2.5 billion.

Berlin-based wealthtech **Elinvar** has raised €25 million funding to scale its offering in a round led by Toscafund Asset Management.

The round also included existing shareholders Ampega Asset Management, finleap and Goldman Sachs.

Elinvar was founded in 2016, with "the vision to connect the entire wealth management ecosystem".

It exclusively focuses on business-to-business-to-consumer (B2B2C) and provides a multi-tenant solution on a Platform-as-a-Service (PaaS) basis. It employs 100+ people.

Payments infrastructure firm, **PPRO**, has raised $180 million in a Venture round from a group of investors.

Among those backing PPRO are Eurazeo Growth, Sprints Capital, and Wellington Management. The round brings PPRO's valuation above $1 billion.

The fresh funding arrives six months after the firm raised $50 million from Sprints Capital, Citi Ventures, and HPE Growth.

MOVERS AND SHAKERS


om Blomfield

Monzo founder, **Tom Blomfield**, has announced his departure from the challenger bank, after founding the fintech back in 2015.

His exit is set to come into effect at the end of January, and follows Blomfield's decision to move roles in May 2020, from CEO to president. The move was designed to give Blomfield time to "get well" and review his time at Monzo – with the possibility of fully exiting on the table back then too, according to TechCrunch.

Blomfield says Monzo's board wanted him to remain as CEO longer than he did, dispelling rumours the board forced him out. The fintech entrepreneur, who has signed up to be a volunteer vaccinator in the UK, says he may take himself on holiday in the next few months, post-lockdown.

TS Anil, who took over as CEO back in May at Monzo, has steered the fintech through COVID-19 alongside Sujata Bhatia, who joined the challenger as chief operating officer last year.

Robinhood, the California-based stock trading app, has hired two executives from the Financial Industry Regulatory Authority (Finra), the US regulator which protects investors.

Josh Drobnyk, a former Washington Business Journal reporter and ex-head of corporate communications at Finra, joins as its head of corporate relations and communications. Before his four years at Finra, Drobnyk spent a year at the US Treasury. He also spent four more years on various US committees.

Anthony Cavallaro is Robinhood's new head of regulatory services and fraud oversight for its financial subsidiary. Cavallaro is a 14-year Finra veteran. He also spent ten years in the New York Stock Exchange's (NYSE) regulatory enforcement division.

The appointments follow a year of compliance failings at a fintech which is now understood to be gearing up to go public before year-end.

N26 has hired **Jan Kemper** as its new chief financial officer (CFO).

Kemper served eight years as Zalando's CFO and grew the start-up to a market valuation of €11 billion.

The German challenger bank, whose investors include members of Zalando's management, is set to welcome Kemper into the fold in the second half of this year.

Kemper is currently managing director of Omio, a Berlin-based travel platform which raised $100 million from the likes of Temasek and Goldman Sachs last year.

Before Omio, he also served as ProSiebenSat.1 Media SE's CFO for more than two years, the German firm which operates free-to-air commercial TV channels, pay television channels, radio stations and various media outlets. Earlier in his career, Kemper spent three years working as an analyst-turned-associate at Credit Suisse.

Co-founder, Maximilian Tayenthal, N26's current CFO, is set to give up his position, and take on the role of co-CEO alongside Valentin Stalf.

The **European Central Bank (ECB)** has appointed **Claudia Plattner** as its new director for general information systems.


Claudia Plattner

Plattner will take up her role in July 2021. She currently works as chief information officer at DB Systel, the IT provider for railway firm Deutsche Bahn.

Her recent projects at DB Systel have involved the revamping and modernising of the internal IT systems at Deutsche Bahn.

Prior to her current role, Plattner worked at Deutsche Bahn Cargo as enterprise architecture manager. She has also spent almost five years as head of financial statement data processing at PPA.

Santander has appointed **Rakshit Kapoor** as its new chief data officer and head of data transformation in Europe.

Kapoor joins Santander from HSBC, where he spent three and a half years in a similar role. He has also held roles at JP Morgan Chase, Avaya, Oracle, and insurance firm, Travelers.

Santander says Kapoor will develop its new data strategy, organisation, operating model, technology and governance in the UK.

Kapoor joined Santander on 1 February 2021. He reports to chief executive, Iain Plunkett, in the UK and global data head, Cristina San Jose in Europe.

FINTALK OF THE TOWN

COURAGEOUS QUOTATIONS

In the beloved British sitcom Yes Minister, there is an apocryphal exchange in which Jim Hacker MP insists on a proposal, only for civil servant and advisor Sir Humphrey to pour cold water on the notion by calling it a "courageous decision". It is not always easy getting juicy quotes from interviewees in business journalism, especially in the golden age of PR. Most interviews are stage-managed affairs, where boldness of speech is feared rather than encouraged, so when our reporters manage to catch a glimpse behind the gauze, you can be sure that we will defend our right to publish empowered, distinctive voices, even if their personal Sir Humphrey floods the inbox with edit requests, insisting that such courage has limits.

HOSIERY AND APOLOGIES

We all make mistakes – it's part of life and proof that we are not all robots living in a simulation (we assume). Furthermore, there are natural human courtesies that are completely normal and expected. For example, it is common knowledge that when a comms officer incorrectly suggests to a reporter that they were misquoted, it is customary for the offended party to receive a pair of bank-branded socks and a copy of the CEO's latest "business tell-all". An alternative explanation is that this unique reparative gesture is what happens when you overorder events merchandise and a pandemic thwarts your plans.

BIONIC WOMEN

It's no secret that tech has a strange relationship with women, especially when it comes to naming products. From Amazon's Alexa and Apple's Siri, to fintechs like Emma, ANNA and Lydia – women's names pop up all over the tech industry, with little internal representation to reflect this external preoccupation with the feminine. It was unsurprising that one male fintech commentator bristled when a female reporter highlighted the issue in a long-read feature. When the reporter in question fired back, he played the role of hard-nosed empiricist, "genuinely curious", arguing he must be shown data to prove any gender bias. One would think anyone sufficiently curious in the issue debating in good faith might take a moment to read all the data collected in the article a mere hyperlink away.

EDITORIAL

Managing Director & Editor-in-Chief
Tanya Andreasyan
tanya.andreasyan@fintechfutures.com

Editor
Sharon Kimathi
sharon.kimathi@fintechfutures.com

Deputy Editor
Alex Hamilton
alex.hamilton@fintechfutures.com

Reporter
Ruby Hinchliffe
ruby.hinchliffe@fintechfutures.com

SALES

Head of Sales
Jon Robson
+44 203 377 3327
jon.robson@fintechfutures.com

Business Development Executive
Sam Hutton
+44 207 017 7017
sam.hutton@fintechfutures.com

MARKETING

Marketing Manager
David Taylor
david.taylor@fintechfutures.com

Marketing Executive
Kiran Sandhu
kiran.sandhu@fintechfutures.com

DESIGN & PRODUCTION

Simon Turner
West Hill Media
simon@west-hill.co.uk

ADDRESS

Fintech Futures
240 Blackfriars Road
London SE1 8BF

PRINTER

Hobbs the Printers Ltd
Hampshire, UK

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