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GENERATIONAL CHANGE

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EDITOR'S NOTE



Tanya Andreyan
Managing Director &
Editor-in-Chief,
FinTech Futures

Welcome to the October edition of *Banking Technology*, coming to you amid the conference season. Just a few weeks ago, FinovateFall and Sibos gathered thousands of people in New York and Toronto, respectively, to showcase the latest developments and debate the pertinent topics in banking, payments and fintech.

Artificial intelligence (AI) was, unsurprisingly, high on the agenda, with lots of discussion around how to unlock its full potential in a responsible way. Generative AI received plenty of attention – and for good reason. The GenAI industry is estimated to expand at a 42% compound annual rate, from \$40 billion in 2022 to \$1.3 trillion by 2032, according to a report by Bloomberg Intelligence. The report also predicts that GenAI will account for 12% of total

technology spending by then (at present, it is less than 1%).

Do you want to know more on who loves, hates, embraces or fears AI? Head over to our website for this and more from [Sibos here](#) and from [FinovateFall here](#), brought to you directly from these events by the *FinTech Futures* editorial team.

The subject also continues in this issue of the magazine – check out our resident thought provocateur's piece on AI and human foolishness on p10 and Dave Wallace's report from the GenAI front line on p23. No shortage of punchy opinions there!

As always, we hope you find the magazine interesting and informative. And if you are attending the Open Banking Expo in London on 18-19 October, pick up a free print copy of this edition there.



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NEWS ROUND-UP

Fintech start-up Rauva buys Banco Empresas Montepio for €30m



Portugal's Banco Montepio has agreed to sell its business banking brand, Banco Empresas Montepio (BEM), to Rauva, a new financial services app for SMEs in the country.

The bank, which has its history dating back to mid-1800s, launched BEM in 2019 offering commercial and investment banking services to businesses.

Rauva says that its acquisition of BEM, which is valued at an estimated €30 million, will enable it to develop new financial products for SMEs, freelancers and entrepreneurs.

In addition, the purchase also includes BEM's customer financial data, which Rauva plans to integrate into its proprietary quantum machine learning technology.

Launched in 2022 by Jon Fath and Sam Mizrahi and reportedly taking less than a year to develop and bring to market, Lisbon-headquartered Rauva offers payments, digital accounts, invoice, business management and accounting services and the issuance of physical and digital cards.

"Since day one, we've been working towards building a fully-fledged bank," Rauva's CEO, Fath, comments on the acquisition.

US Treasury Department enlists JP Morgan for validation services



JP Morgan has signed a five-year deal with the US Treasury Department to provide account validation services for federal government agencies.

As part of the agreement, JP Morgan's corporate and investment bank will corroborate payment information for the department's fiscal service prior to its payments being issued. It will seek to authenticate payment details by leveraging its own customer information alongside industry data it claims to regularly utilise within its own payment processing agenda.

The Treasury estimates that it dispersed close to \$5.27 trillion to federal agencies during the fiscal year for 2022, typically to fund initiatives including social security, medicare, tax refunds and unemployment insurance. However, according to the figures of the US Government Accountability Office, \$247 billion of this figure fell under the scope of what it describes as "improper payments", where payees were either overpaid, underpaid or received a payment that should not have been made at all.

Standard Chartered Ventures launches new BaaS fintech Audax

SC Ventures, Standard Chartered's fintech investment arm, has launched Audax Financial Technology, its new Banking-as-a-Service (BaaS) offering.

Audax offers an end-to-end digital banking platform that caters to the entire customer lifecycle and can "efficiently handle millions of customer data concurrently", SC Ventures claims. It can handle client and staff interfaces, deposits and lending products, client servicing and data reporting.

The offering is "infrastructure-agnostic", meaning it can complement banks' core systems without the need for "costly and time-consuming" migration or in-house development.

Standard Chartered says it's the first global bank to provide BaaS in Asia. As an example of a successful use case, it cites a deal with Bukalapak (an Indonesian commerce platform with more than 150 million users and 20 million business owners) to launch BukaTabungan – a banking service within Bukalapak's platform.

Singapore-based Audax is focusing on the APAC region. Kelvin Tan, the former managing director and global head of SC nexus (Audax's predecessor), will lead Audax as its CEO, retaining most of his incumbent team.

Mercedes-Benz drives in-car fuel payments with Mastercard



Mercedes-Benz is enabling its customers in Germany to pay for fuel directly from their car through a new partnership with Mastercard.

Available for select car models and at 3,600 participating service stations across Germany, customers who hold either Mastercard debit or credit cards can complete fuel station transactions by scanning their fingerprint through the Mercedes Pay+ payment service.

Connected to the Mercedes Fuel and Pay function, the service can calculate the required amount and cost of fuel prior to the transaction being completed.

The partnership follows research from GfK, conducted on behalf of Mastercard, which found that 60% of 18 to 39-year-olds would prefer to pay their car's refuelling bill directly from the in-built infotainment system.

Lloyds Bank launches "reusable" digital identity app

Lloyds Bank has worked with digital identity firm Yoti to launch a new "reusable" consumer digital identity app. The app, called Lloyds Bank Smart ID, seeks to offer UK consumers a means to share their personal information with businesses that request it.

Backed by Yoti's ISO 27001 and 27701, and SOC2 Type II-compliant technology, the offering intends to "combat the growing risks of identity fraud", which the technology firm describes as "one of the biggest fraud threats to the UK public".

The launch comes seven months after Lloyds Banking Group made a £10 million investment in the London-based firm.

Singapore's Grab pulls the plug on investment services

Grab, a Singapore-based app for services such as mobility, deliveries and financial services, is winding down its retail investment products – AutoInvest and Earn+ – as they are deemed to be "not commercially viable".

Customers have been advised to withdraw their money by 13 October, after which the accounts will be permanently closed, with no further transactions being permitted.

Grab says it wants to "streamline" its financial services business, focusing on other products such as GrabPay, insurance and lending.

In August 2020, Grab forayed into the retail investment space by launching AutoInvest, its first micro-investment service, allowing its Singapore-based customers to automatically invest with every transaction. The launch followed Grab's acquisition of robo-advisory firm Bento in February 2020.

Grab rolled out Earn+ in May last year, describing it as a "low-risk" investment portfolio for cash reserves, allowing customers to earn up to 2.5% interest per year.

UK fintech Weavr to shutter open banking payments app Comma

Just over half a year since its acquisition of open banking app Comma Payments, Weavr, a Banking-as-a-Service (BaaS) solutions provider in the UK, has announced the end of the app as a standalone product.

From 30 November 2023, Comma Payments, which was founded in 2019, will cease its operations as a B2B bulk payments provider as it transitions to an API-only solution.

"As sad as I am about this announcement, it's a choice we had to make," says Comma's founder, Tom Beckenham.

Weavr is first and foremost an embedded finance provider and does not deliver its solutions directly to the customer, making the announced transition of the app an almost certain eventuality.

"We had to create the right focus so we can empower others to create payment products and features," Beckenham adds.

Weavr will retain the app's underlying technology and promises no job losses.



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



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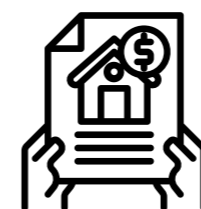


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NZ\$1.4 billion

mortgage portfolio of HSBC in New Zealand is to be bought by Australian non-bank lender Pepper Money, with the deal expected to close before the year-end

46%

ownership stake in Brazil's digital bank C6 now belongs to JP Morgan Chase, following a recent increase from the initial 40% in 2021; the additional investment is attributed to the bank's strong growth in this period – from eight million to 25 million clients, and from R\$9.5 billion to R\$40 billion of credit portfolio

\$40 million

secured by Mexican banking challenger Albo as part of its Series C funding round, led by Morpheus Ventures

\$62 million

raised by US-based consumer fintech start-up Bright Money in a fresh round of funding, which consists of a mix of debt (\$50 million) and equity (\$12 million)

€100 million

raise is struggling to materialise for Solaris, a Germany-based Banking-as-a-Service (BAAS) provider, according to the Financial Times, casting doubts over its ability to deliver on a major credit card contract

\$2.5 billion

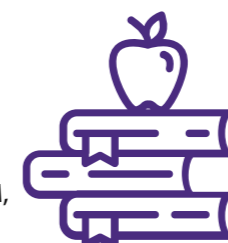
is the latest valuation of AlphaSense, an AI-led market intelligence and search platform, following its \$150m Series E funding

11.4m

payments were made in the UK in July 2023 via open banking – a 102% rise in year-to-date

£255 million

to be paid by Ontario Teachers' Pension Plan (OTPP) for a majority stake in a UK wealth manager, 7IM, sold by Caledonia Investments



\$25 million

penalty handed to Deutsche Bank's subsidiary, DWS Investment Management Americas Inc (DIMA), by the US Securities and Exchange Commission (SEC) for anti-money laundering (AML) violations and environmental, social and governance (ESG) "misstatements"

\$100 million

to be invested by Visa, via its Visa Ventures corporate investment arm, in generative AI firms start-ups focused on payments, fintech and payments



THEY SAID IT...

"Today, we don't have a good handle on how to measure any of this [the responsible use of the AI technology]. We don't have a good handle on how to measure interpretability. We don't have a good handle on how to measure bias. We don't even have a good handle on how to measure the reliability of AI systems."

Elham Tabassi, associate director for emerging technologies at the National Institute of Standards and Technology (NIST), speaking at the recent Sibos conference

• [Click here](#) to read the full discussion on the *FinTech Futures* website

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TRENDING

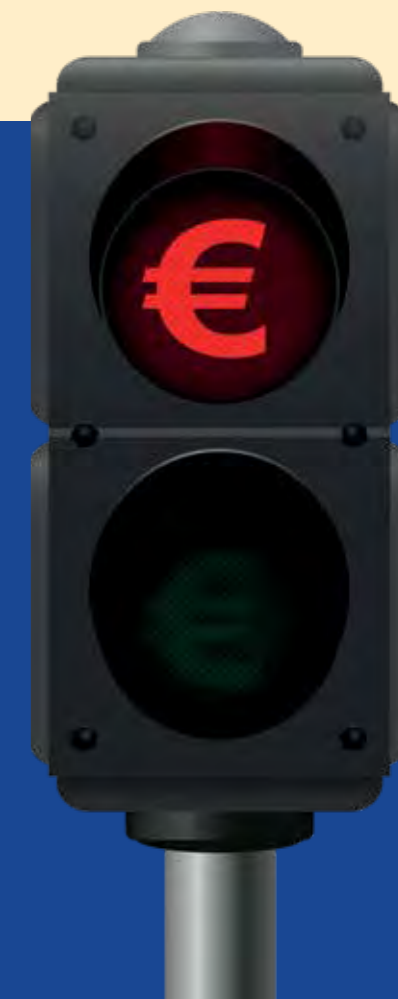
ECB held up over digital euro

The digital euro will not arrive until at least late 2025, the European Central Bank's (ECB) president Christine Lagarde told a Committee on Economic and Monetary Affairs at a recent meeting, while also vowing to "address all the conspiracy theory" behind the technology and to quell fears that "Big Brother was going to suddenly determine what to buy, when you buy it and how restricted it should be". When laying out a timetable for when a digital euro could be delivered, she confirmed that the bank is currently waiting on the green light of the governing council to conduct further pilots of the project, which according to Lagarde, "will probably take us another two years at least".

The council is not expected to reach a decision on this until late October, at the end of the ECB's 24-month investigation into the design, distribution and general appetite for a digital euro.

During the session, parliament member and lawyer Nicola Beer questioned how Lagarde sought to track the privacy concerns raised in the currency's design and the cost of implementation, namely in the form of transition and holding limits and the need for user identification. Lagarde replied that it's the project's goal to "make sure that privacy is protected, not anonymity" – an element she views as essential to the success of the digital euro.

Beer pressed Lagarde on how she plans to measure the success of the project, and what metrics would be used in the ECB's evaluation. "If it can be user friendly, if it can be free. If it can be a universal digital mode of payments throughout the entire Euro system, I think it will have checked many of the boxes which I believe would characterise success," Lagarde replied, although stating that she was uncertain as to whether metrics would focus on transaction volumes, user numbers or demographics.



Mariana proves to be the matchmaker for wCBDCs and AMMs

Project Mariana has successfully tested the cross-border settlement capabilities of wholesale central bank digital currencies (wCBDCs) between three major global markets.

The project was launched in November 2022 through a collaboration between the Bank for International Settlements (BIS), Banque de France, the Monetary Authority of Singapore (MAS) and the Swiss National Bank, as a means to establish how tokenisation and automated market makers (AMM) could be applied to the global foreign exchange (FX) market, which currently trades \$7.5 trillion every day.

More specifically, it sought to determine how wCBDCs could be leveraged in tandem with decentralised finance (DeFi) to improve the effectiveness and transparency of FX trade and settlements.

Utilising a transnational network based on the public blockchain, the project simulated an interbank FX market using hypothetical Swiss franc, euro and Singapore dollar wCBDCs.

The project has now announced that it has reached three main conclusions. First, FX trading and settlement can be contained within a single step as a result of combining wCBDCs with AMM, lowering risks and increasing the efficiency of trades in the process.

Second, the need for intermediaries in trading can be overcome through the application of a transnational network, while central banks' issuance and management of wCBDCs is retained. Last, it confirmed that an interoperable FX interbank market can be integrated into a financial market infrastructure for cross-border trades and enable the trading of a three-token pool against the AMM.

Despite these revelations, the participating banks were keen to emphasise that the project is "purely experimental and does not indicate that any of the partner central banks intend to issue wCBDCs or endorse DeFi".

Speaking on the conclusion of the project, BIS Innovation Hub head, Cecilia Skingsley, says it has "successfully demonstrated that it is feasible to exchange wholesale CBDC across borders using novel concepts such as automated market makers".

Adding to this, Thomas Moser, alternate member of the governing board of the Swiss National Bank, comments: "In a potential future with tokenised assets, safe and efficient pricing and exchange mechanisms for cross-currency transactions remain essential. Project Mariana demonstrates the feasibility of such an infrastructure in an innovative way."

AI can't be contained, so control it instead

By Leda Glyptis

Everyone and their dog is an AI expert all of a sudden, aren't they?

And every bloody thing is AI-powered. Even the cleaning bots at the airport.

Every board, big or small, is listening to presentations on the dangers and opportunities presented by ChatGPT compiled by non-experts, consumed by non-experts and leading invariably and inevitably to the conclusion that we need to keep an eye on 'this' and, somehow, this exercise in futility leaves us all feeling a little bit better about God knows what, albeit none the wiser.

I mean... everyone needs a hobby, and if this is yours... knock yourself out. But if you are genuinely wondering what this means for your business... then you are not going about thinking this through the right way.

Artificial intelligence is not new.

Large language models are not new.

They just got bigger. Sure, the algos got faster. And now your auntie Mabel knows of ChatGPT so it feels like a brave new world has landed. But it hasn't. Generative AI is barely getting started. If this is scaring you, you are in for a treat.

Regardless of how you feel about this, the thing you talk of when you describe the current state of AI is not new. And it's not quite here yet. Not fully. This is nowhere near done gestating.

Both of those facts should be uncomfortable, by the way.

Firstly, that this field of knowledge has been developing for a long time.

Things like this don't happen overnight. This isn't Harry Potter, and even he had to go to school for a wee while and try a few things before he could do You Know What to You Know Who.

But more scarily, that this isn't even close to being at its peak of maturity and completeness.

You will notice I didn't preface the statement with the ever-prevalent 'I don't know who needs to hear this', and that's because I know exactly who needs to hear this. Every FS decision-maker – no matter whether they sit in a bank, a start-up or a scaling entity – wondering: "Will this hurt me? How can I make money from it?" And, if the answer to these two questions is no and yes respectively, "Where should I put this?"

We've been here before.

When we tried to work out what to do with fintech and its weird business models and unfamiliar ways of working. We did it with APIs. We did it with DLT. We are doing it with any and every new technical capability that darkens our doorstep.

First comes fear (and look... the *fear to greed* index is real, but still... come on).

How can this hurt me? How can I contain it? The urge to opt for comfort and security first is understandable.

But have we not learned yet, as an industry, from our attempt to 'limit' *digital*, that new tech isn't ours to limit? Technology adoption cycles are not in our gift.

Not their reach. Not their pace. Not their impact. None of it is in our control.

We are participants with choices and options – although once the regulators step into the fray the speed of change may make us feel less like participants and more like recipients. And yet we are not passive recipients. We are participants. Active, if we choose to be. Influential. Not in full control and yet with more power than most.

Not in control, though. And we don't like that.

But we know, love. We know.

That our fear is ours to deal with. Containing the technology won't work.

It won't be contained. And neither will the fear.

So, try to understand it instead.

What is it? What does it do?

How does it do it? How does it affect your business?

How does it play into your current business model?

How do your risk models fare against it?

Uncomfortable work, all of this. And that's before you get to the even stickier point of risk-reward. Because our habits of old push us in all the wrong directions for this. We look for mythical creatures (centaurs and unicorns and magic beans and silver bullets). We seek net new revenue with a bow on top.

We should know better by now. And yet. And yet.

We have had to ask ourselves all these questions time and again, by the way, as new technologies came our way.

Remember I said this will keep happening? And that we need to sharpen our focus on what it is our businesses do, how and why they do it... so we can navigate the pace of change? This is what I meant.

A paradigm shift isn't a new concept.





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FOOD FOR THOUGHT

We have been talking about them since last century... although they seem to be happening faster. I will give you that.

In a paradigm shift such as this, many things change dramatically. But not all.

The need to be crystal clear about your business purpose may be tested by the paradigm shift, but it is not a question borne by it. Just because you are not doing the thing in the hope that it goes away doesn't mean that it will. What is changing is the context you are doing (or not doing) the thing in.

And that context is shifting rapidly and dramatically. And of course, it may change 'the thing'. But how will you know if it does unless you are clear about 'the thing'? Those hard yards are not optional. I keep saying it, but will you listen?

And here you are locking down your IP, banning your engineers from using ChatGPT for anything and everything (you know they still use it though, right?), using Midjourney to manipulate small changes

to photos rather than commissioning photographers or designers... hiring AI engineers for your AI while 'locking down' access everywhere else.

Here you are reaping the fruits of this technology without feeding its engines.

So, make your mind up already.

What is it? A technology to be leveraged? A technology to be shielded from? Something in the middle?

And what are you?

A parasite? Reaping benefits without contributing to the process? A victim of change? An unwilling passenger? Or an active player in a changing world?

You can't control everything, granted. But you can control what you do next. And you can control what kind of player you are in the process.

#LedaWrites



Leda Glyptis is *FinTech Futures'* resident thought provocateur – she leads, writes on, lives and breathes transformation and digital disruption. She is a recovering banker, lapsed academic and long-term resident of the banking ecosystem. She is also a published author – her first book, *Bankers Like Us: Dispatches from an Industry in Transition*, is available to order now.

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

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

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Business resilience and continuity in financial services

In its latest report, FinTech Futures in association with Dataminr explores ways financial services firms can ensure they are well prepared to mitigate and withstand a wide range of risks, disruptions and crises

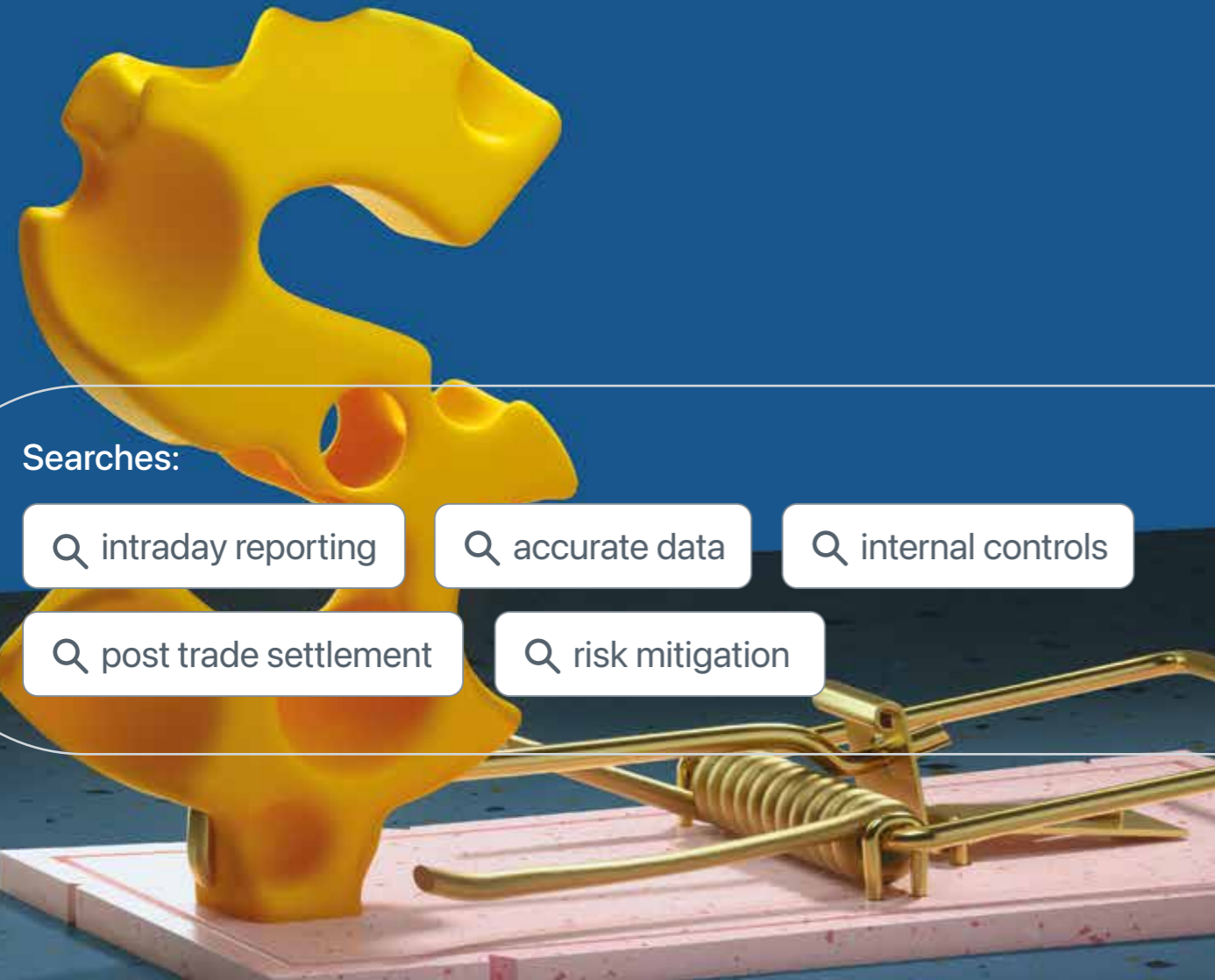
From cyberattacks and economic shifts to geopolitical events and supply chain disruptions, security leaders in the financial services industry are facing a growing number of risks and, as such, must contend with a threat landscape that is ever more complex and unpredictable.

This puts increasing pressure on security leaders to ensure they have 24/7 visibility of such risks so they can protect their customers, employees, and assets.

This free report by *FinTech Futures* and Dataminr considers the heightened increase in threats for financial services firms, how shifting business models (including open banking) are bringing additional security considerations, and how to establish a rapid and robust response to risks with access to the right tools, such as real-time data.

[Download the free report from the FinTech Futures website here!](#)

REGULATORY FINES!



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Want to be great at digital transformation? Play Tetris

By Richard Jeffreys, founder, CX ALL

“Human progress has always been driven by a sense of adventure and unconventional thinking.”

Transformation, especially the large-scale digital transformations currently being undertaken by so many organisations, are incredibly complex. They contain many, often competing, moving parts. Unexpected events happen. Time moves quickly. Progress needs to be shown.

I like the above quote from Andre Geim. We need to be creative. To seek inspiration from different sources. To look outside of our norms and learn from elsewhere.

Which brings me to Tetris.

There are many things we can learn from Tetris.

BUILD UPWARDS

Tetris involves building a stable structure by placing blocks in a way that prevents gaps and maintains balance. In delivering

transformation, we build upon strong foundations to create a more solid and improved structure.

PLAN STRATEGICALLY

Just as in Tetris, where we strategically plan where to place each falling block, delivering transformation involves strategic planning. We need to assess the situation, anticipate challenges and determine the best steps to achieve the desired outcome.

MANAGE RESOURCES

In Tetris, we must manage our resources (the falling blocks) effectively to achieve the best outcomes. Similarly, delivering transformation requires efficient resource allocation, whether it's time, budget or personnel, to achieve our goals.

ADAPT

In Tetris, the blocks fall at increasing speeds and in different shapes. Similarly, in the process of delivering transformation, we'll encounter unexpected changes and challenges. Being able to adapt our strategy and plans is crucial to success.

CLEAR OBSTACLES

Just as we clear lines in Tetris to prevent the screen from filling up, delivering transformation involves removing obstacles that could hinder progress. This

could mean removing outdated processes or resistance to change.

SOLVE PROBLEMS

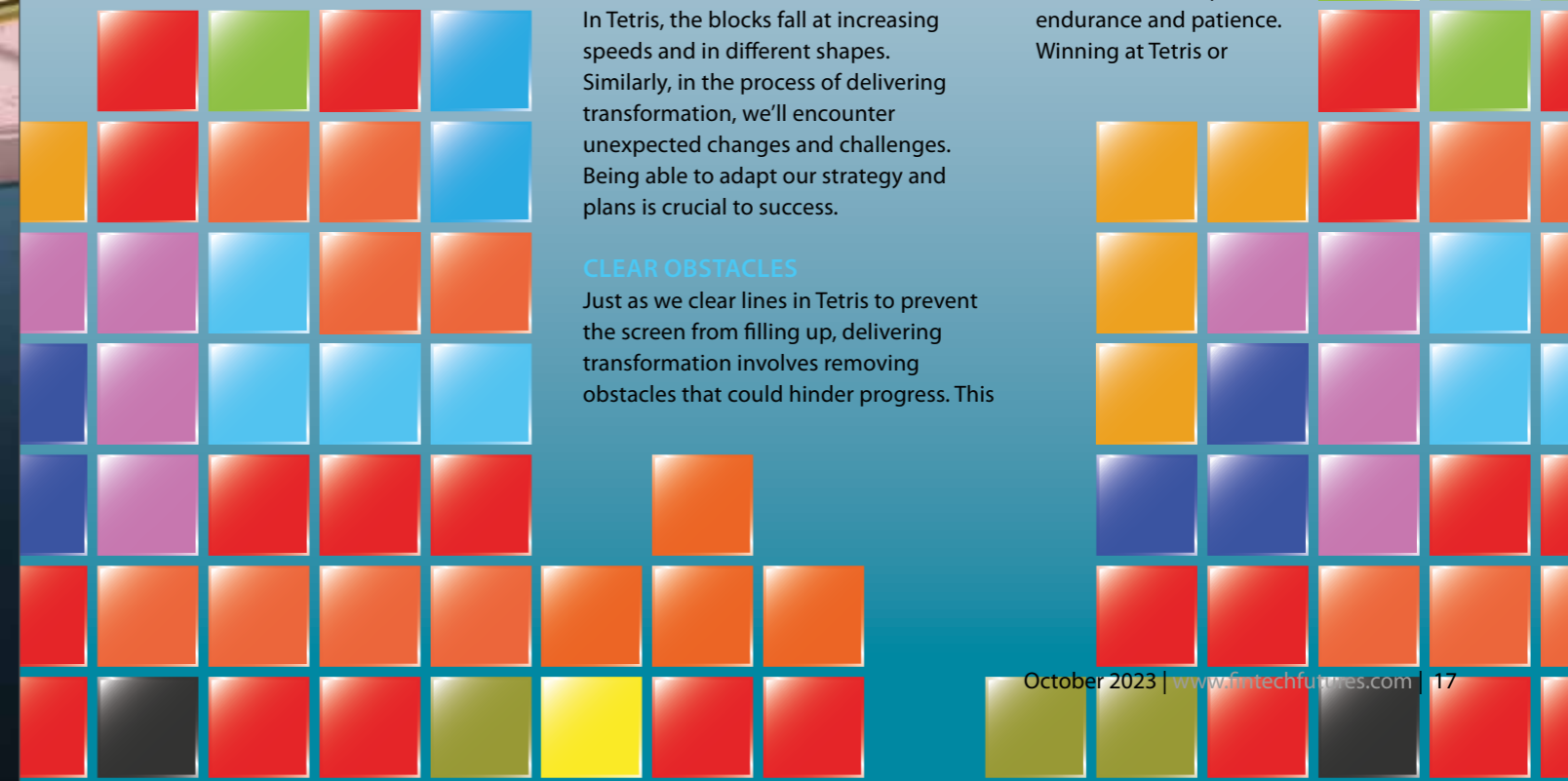
In both Tetris and delivering transformation, we're constantly solving problems. In Tetris, it's about fitting the right blocks together to clear lines. In transformation, it's about finding solutions to obstacles that arise during the change process.

MAKE INCREMENTAL PROGRESS

Both Tetris and transformation are about making incremental progress. In Tetris, we clear lines one at a time. In transformation, we achieve milestones step by step, eventually leading to the desired end state.

BE PATIENT

Both activities require endurance and patience. Winning at Tetris or



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successfully delivering transformation doesn't happen overnight. It takes persistence and the ability to stay focused on the long-term goal.

As with Tetris, transformation is made up of many different blocks of different shapes and sizes, for example:

- Client requirements
- Regulatory impacts
- Organisational considerations
- Cost
- Time
- Technology
- People

At this point, it's worth returning to the first rule of Tetris, build upwards. Let's look at some data points and conclusions from an

EY report published in October 2022 titled "How do you harness the power of people to double transformation success?":

"Research suggests that 85% of senior leaders have been involved in two or more major transformations in the last five years alone. Two-thirds (67%) of those surveyed said they have experienced at least one underperforming transformation during this time."

This alone is a staggering statistic. More staggering is that companies continue to accept this rate of failure as the price of change. In any other context, and by any other standard, this level of performance would be completely unacceptable.

"The six key drivers of above average adoption in a successful transformation are inspire, lead, care, empower, collaborate and build."

Five out of these six drivers are people centric, strongly rooted in culture and emotion.

"Negative emotions among workers increase by 25% in successful transformations but by more than 130% during underperforming transformations."

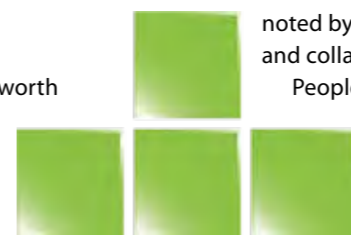
Another widely researched and published conclusion from McKinsey is that 70% of all transformations fail to deliver their potential.

It's possible to draw a correlation between all these data points and uncover a common theme: **people**.

It is widely accepted that successful transformations are people-centric transformations.

Returning to our transformation journey, it's important to remember that, at the outset, we don't know everything.

We set a vision (often our "North Star"). We use this vision to establish a purpose and to build confidence and trust. We build the foundations (think the bottom row in Tetris) based on those five drivers of above average adoption that were noted by EY: inspire, lead, care, empower and collaborate.



People, not technology, drive successful and sustainable transformations.

With this solid foundation in place, with our people and culture forming the foundation of our transformation, we can start to build.

Imagine looking up at the falling Tetris pieces: the client requirements, the regulatory impacts, the organisational considerations, the cost, the time, the technology.

Imagine being able to manage our resources (the falling blocks) effectively. To incorporate the Tetris skills mentioned at the start – adapt, clear obstacles and solve problems – we're giving ourselves a better chance of success.

Without this approach, and where transformations often fail, is in their poor reaction or poor decisions to the blocks that are falling on them. When this happens, gaps appear (imagine the white spaces on your Tetris board).

So often, these gaps are plugged 'tactically' with people. People who are unskilled at the roles they are being asked to perform and who are being asked to undertake important roles in addition to their current responsibilities. (As an aside, isn't it interesting that we use the word 'tactical' as a positive when really, in this context, 'tactical' means impractical or unwise.)

Remember that stat from the EY report above. "Negative emotions among workers increase by 25% in successful transformations but by more than 130% during underperforming transformations." This is often how it starts.

Gaps appear. We plug these with people. We fail to clear obstacles or are too slow to clear them. We keep trying to shoehorn different shapes (different solutions) to plug the gaps.

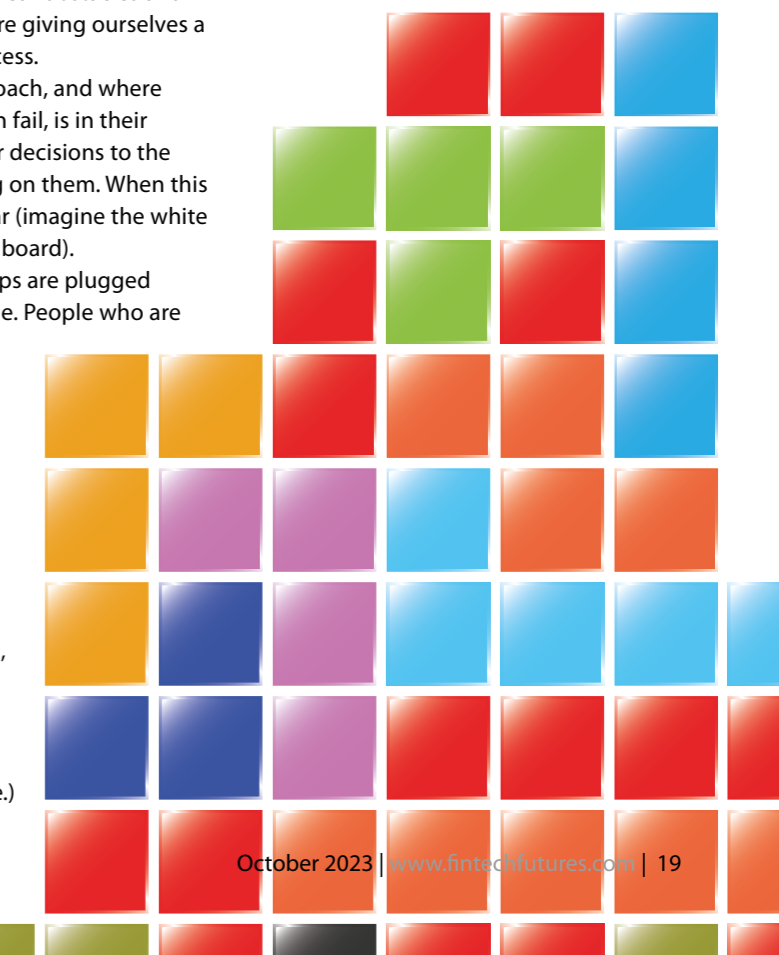
It quickly becomes a Tetris lattice rather than a cohesive, planned Tetris board.

It quickly becomes GAME OVER.

CLOSING THOUGHTS

If you want to be one of the 30% who delivers a successful transformation. If you want to be one of the 21% of senior leaders who have never experienced an underperforming transformation. If you want to be one of the employees who has a positive (or at least a less negative) experience with transformation. Be creative. Bring a sense of adventure and unconventional thinking. And most importantly, put people at the centre of your thinking and build a solid foundation.

And of course... learn to play Tetris.





What no one will tell you about raising VC funding

By Brandon Arvanaghi, CEO and founder, Meow

“Wow, I have no idea why, but every VC call went amazing. But I haven’t heard back!”

This made no sense when we tried to raise Meow’s pre-seed two years ago. But it does now.

Today, I’ll share three key learnings on raising venture capital for your start-up that no one will tell you.

1. EXPECT POINTLESS EXCITEMENT

A VC has zero incentive to say “no” to your company. Their only incentive? To be super excited about what you’re building. Why? Because of the magic word. What every investor wants: **Optionality**.

Investors don’t say “no” because they want the ability to invest in your company

in case it suddenly becomes attractive. An example? Say two weeks after your call, a ‘Tier 1 VC’ invests in your round. Amazing!

Suddenly, remember the VC who acted excited during your pitch but slow-played your follow-ups? Well, turns out they were a believer the whole time. And now, they simply reply and re-affirm their conviction

in you. Now, they get to invest alongside a ‘Tier 1 VC’: This de-risks the investment for them. In fact, it makes them look great to their LPs (LPs are the people who give the VC money to invest). Telling you “no” at any point removes this scenario. Why would they do that to themselves? In short, a VC’s job is to maintain optionality.

And as a founder, it’s your job to eliminate it.

2. THE GOLDEN GOOSE: HUGE UPSIDE WITH VERY LITTLE DOWNSIDE RISK

If you’re an unproven deal, the average VC might carry out the behaviour from lesson one. But during the call with you, they will ask questions anyway. Why? Just to make sure they’re not missing out on

something obvious. As in – a deal so obvious that, if it existed, the company wouldn’t be talking to them in the first place. Their questions won’t be as blunt as... “Are you a \$100 bill that I get to pay \$5 for?”

It will be: “What’s your moat?”

Deconstructing that:

- Why aren’t you a high-margin SaaS with a complexity moat and product market fit that I get to invest in at a discount?
 - Why are you not free money?
 - Come back when you have social proof.
- I received this line of questioning several times. If you get a question about moat, I would argue you’re not dealing with the right investor.

In the fundraising landscape, there exist a handful of conviction-driven, independently minded investors. They march to the beat of their own drum. They don’t care what others think. Founders have immense respect for these investors. And we know who’s who from a mile away. But those folks are the exception, not the rule.

On the flip side, there are a bunch of new investors trying to make a name for

themselves. And trying to stay just down the fairway.

I don’t blame them. But their incentives make it so.

As Charlie Munger once said: “Show me the incentive, I’ll show you the outcome.”

3. “WHAT DO WE BELIEVE?”

Ever wonder why VCs suddenly start investing in the hot thing?

It’s in part because disruption can lead to new generational companies. But also because it’s what they can sell to their LPs. VCs have to ask their LPs for money. That money pays the VC’s salaries via management fees. They have to convince the LPs to keep funding them.

When something is hot, news of its hotness makes its way everywhere – including to the LPs! So it’s much easier for a VC to call their LPs and say they’re investing in the hot new thing instead of the stale old thing.

An example? VCs often change their websites depending on what the hot new thing is. Why? Because a VC’s website is an advertisement to its LPs.

“Invest in us. We are the [hot thing] VC.”

What does that mean for you, as a founder? Put bluntly, your odds of fundraising success increase violently if you build in the hot new thing. Or at least start in it.

Fundraising does not equal success. Not even a little. But if you happen to build in the hot new thing, it will make fundraising a whole lot easier.

CLOSING THOUGHTS

In conclusion, fundraising is a crazy mix of understanding investor psychology and positioning your own start-up to capture the narrative.

But to be blunt, the ability to fundraise has little to no impact on building a durable business. Great businesses start with building something the customer wants and solving their problems. It scales by focusing on customer delight... not pleasing investors.

If you decide to raise money, your goal should be to get it over with as quickly as humanly possible. From there, it’s time to do the hard part: building a product customers love.



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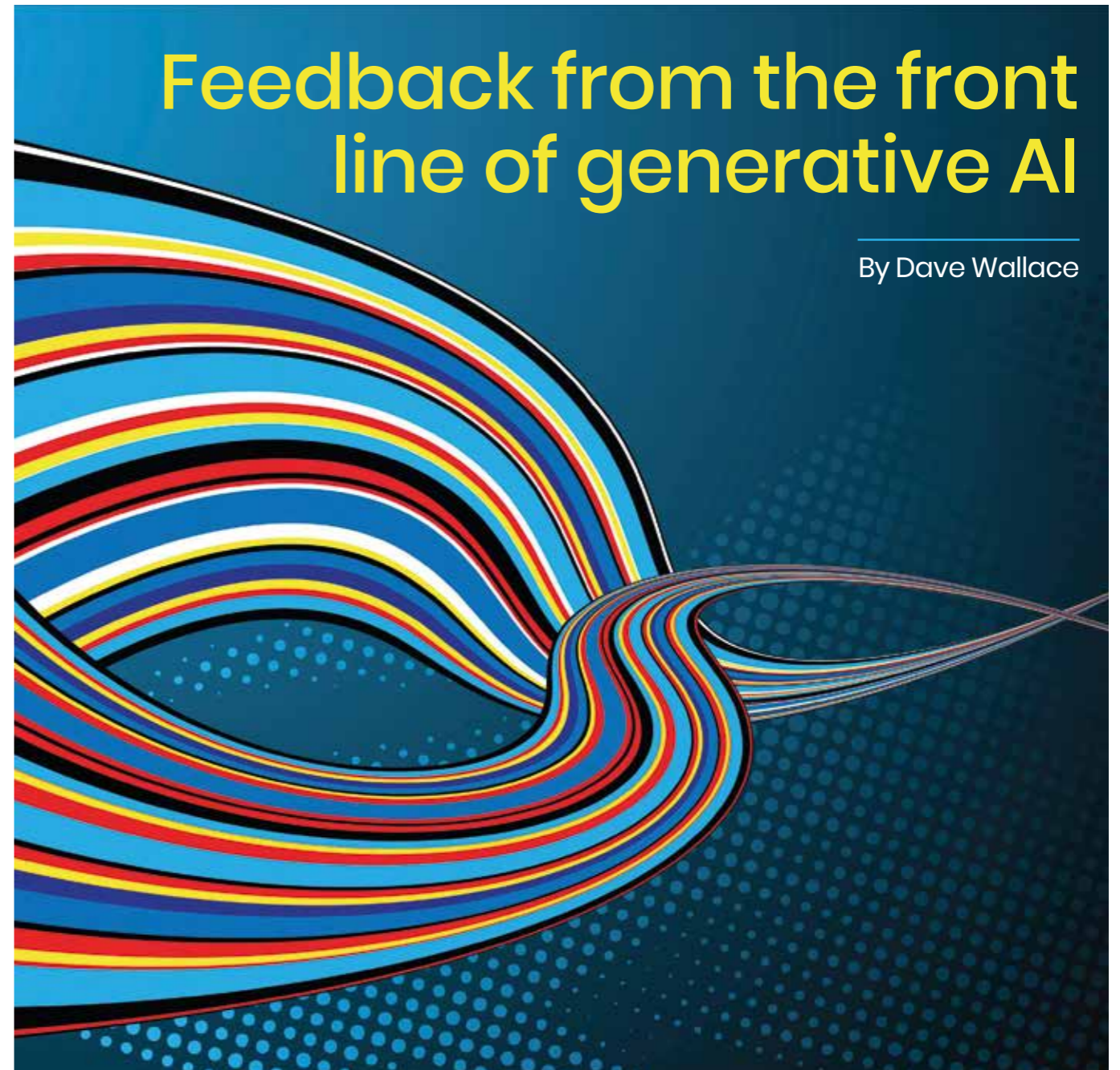
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Feedback from the front line of generative AI

By Dave Wallace

I have had many recent conversations with companies interested in the potential for artificial intelligence to support their enterprise. It has been intriguing to see the differences in thinking.

Broadly speaking, there are three camps out there.

The first camp is those folk who have heard about generative AI and ChatGPT but have yet to have hands-on experience. It is easy to forget that there are many people in this world who, quite frankly, could not give a damn about

technology! These people will most likely have heard of it and may have even sat through some consultant presentation on the subject, but they will have yet to use it or see it in the flesh (so to speak).

I love these people. The response from them when they see generative AI in action is usually extraordinary.

I have seen very senior bankers go from looking at their phones to having almost religious epiphanies (St Paul on the road to Damascus) as they see the technology first-hand. In a few

short minutes, they go from nothing to genuinely understanding its potential and then mentally applying the possibilities to themselves, their role and their business. It is the beauty of the technology. Its accessibility. I would challenge anyone who sees it not to start hypothesizing about its potential.

THE NEXT GENERATION

A generation of young people in education have done precisely that. They have heard about it, tried it and, without

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formal training, embraced it as part of their learning. There is simple evidence of its prevalent usage among this demographic. There was a decline in use in early summer. The doom-mongers said it was evidence of the generative AI trend being over, before it was pointed out this coincided with the end of term.

Just as a quick aside, ChatGPT is excellent if you are demoing generative AI! Whoever designed ChatGPT's interface really understands how to create magic moments. The way the interface looks and the way results are drip-fed onto the screen is marvellous theatre. Bards' quick dumping does not have quite the same impact.

WHAT'S IN THE BOX?

The next cohort of people are those who have been mulling over how to use the technology. They have gone through the excitement of seeing it and thinking about the possibilities, and they are now considering the options. Most people that I have spoken to in this group have realised that, as well as opportunities, generative AI opens a Pandora's box of questions about data, security and regulation. Having played with it, they will have experienced hallucinations and discovered the downsides. They can see options but realise a wrong move could be career-limiting.

What this cohort needs is help sorting the wood from the trees.

I have written previously about companies such as ABN Amro, Citi and Swift that have identified potential use cases and experimented with them. Without exception, these have been internal use cases rather than customer-facing. Each of these companies will have explored various opportunities and settled on the one that gives the biggest 'bang for their bucks'.

This approach is proving to be an excellent way of testing hypotheses, understanding the mechanics and building a knowledge base around regulation and security implications.

There is no substitute for getting your hands dirty!

"By creating a comprehensive model of an organisation, everyone – from top-tier management to entry-level employees – can interact with, contribute to and gain insight from this knowledge base."

Dave Wallace

The final group are those who have been through small-scale experiments and are not considering rolling out programmes. This group is in the minority – don't forget that ChatGPT 3.5 is less than a year old.

Companies that have been thinking about neuro-linguistic programming (NLP), AI and conversational interfaces have had a head start. However, even with these businesses, their machinations have been very IT-led and often articulated through clumsy, non-performant chatbots. However, a few enlightened enterprises have gone through this discovery, run some trials and have started to plot out their strategy. More often than not, they have concluded that the enterprise needs a holistic approach to make the most of the opportunity.

PAIRING UP

With them, I have been opining about the endpoint being a corporate digital twin. This twin being a comprehensive digital representation of the entire organisation – mirroring people, processes and the systems that make it work. Essentially, all its knowledge, history and memories in one accessible place.

Small-scale tests often demonstrate the power of natural language interfaces to enable access to data in an entirely human way. But they also show that models can be trained on internal data. Often, that internal data is found to be sub-standard. Using generative AI, they have found that improving it is much faster and less painful, creating a virtuous loop.

A digital twin emerges as the data is enhanced and the model is trained.

As projects move to programmes, the twin will encompass the entire business with every piece of data, decision and action taken within and translate it into knowledge. This invaluable asset is the lifeblood of any digital twin brain. By creating a comprehensive model of an organisation, everyone – from top-tier management to entry-level employees – can interact with, contribute to and gain insight from this knowledge base.

A couple of final points. If you need help to get started, experience matters. It is impressive how fast crypto experts have become generative AI experts, so be careful of the snake oil salespeople.

Ultimately, this is about human experience, so I recommend you don't let IT lead the way. But without support regarding how it works and how it could work with a business, there is a danger of quickly ending up in a cul-de-sac.



Dave Wallace is a user experience and marketing professional who has spent the last 25 years helping financial services

companies design, launch and evolve digital customer experiences.

He is a passionate customer advocate and champion and a successful entrepreneur. Follow him on Twitter @davejwallace and listen to the Demystify podcast he co-hosts.

Beyond the single customer view

By Dharmesh Mistry

Those of you that know me well know I like running. As a runner, I've seen the evolution of running technology, starting with simply using your watch to time how long you've been running and judging distance by driving the route in your car if possible.

Next came step counters and then GPS watches. My first GPS watch could just about last for a couple of hours and only tracked my distance and time. Over time, the battery life improved and screens got better, then increasingly they became smartwatches with apps.

My current watch shows maps, gives directions and measures my heart rate, V02 max, stress, sleep and much more! The range of data and features is vast and I'm probably now only using 10% of the available features.

However, even with all this data, I'm still missing a lot when it comes to having a full picture of my health. For that, I'd need another sleep monitor because I don't wear my watch to bed. I'd need something that understood my mood, something else that tracked my blood glucose levels.

I could go on, but my point is that our finances are quite a bit like this: lots of data about one area, with others covered by different apps/organisations/products.

Let's say that at some point in the future open finance fixes the issue of islands of data containing our financial information. Does that solve the problem and allow us to manage our finances more easily? Well, no. First, even if we had all the data, we need to be able to understand it – and unfortunately financial literacy is a huge problem.

Still, let's be optimistic. Let's say open finance will give us access to all our financial data, and let's assume we all know how to use it. Would that be enough? Well, again, I believe no. Many of our biggest financial concerns are about broader issues – will I

keep my job? Can I pay my mortgage? Do I heat or eat? For that, we need different data. Often that data is not available readily... so have we hit a dead end?

Being an optimist, I would say no. I'd argue you get the data you need by creating engagement with the customer that is valuable for them and which gives you the required data. This is difficult, agreed. But that's what is needed, and some entrepreneur out there will figure it out and make a fortune. If it was easy, somebody would have already done it. But they haven't, so therein lies the opportunity.

Tools like personal finance management have been around for decades, so it amazes me when fintechs discuss their ability to help you manage budgets and your money in a better way like what they are doing is new and better.

ZOE HAS THE ANSWER

Recently, I've been trying a health programme called Zoe. A large part of it revolves around understanding your body's reaction to foods by checking your blood sugar responses to them. For this, you wear a real-time blood glucose monitor. You also have to log your food, which is often a point of friction because who wants to do that? However, they have amassed a huge set of data from hundreds of thousands of users, so logging a ready meal from a supermarket brand for example is typically easy. They also allow you to scan the barcode and retrieve the nutritional info they need.

My point here is they recognise the friction and have answers for it. This is an approach that is required for managing our money better, yet I'm still not seeing this from banks and fintechs.

As I've discussed before, another key part of the picture is owning specific key



customer journeys – like buying a house, for example, or even just saving for the deposit to buy a house. Owning a journey means managing every step, but not necessarily solving every step. If you don't own a step, you could embed a third-party solution or provide some options from a partner ecosystem. How you approach this is a hugely important decision and not a case of doing what is easiest, cheapest or quickest (banks please take note). The answer really comes from understanding how important that step is to the customer and whether you can add value or whether you can leverage it better through a third party.

This month, I'm just saying that harnessing all the data you can about someone's financial affairs is not the problem or opportunity that needs to be addressed to help people manage their money better.

This is not one problem, but many that require many solutions wrapped up in a great customer experience. Right now, we have a few things that solve individual money management issues like saving for a house deposit or investing for retirement. However, this approach will again drive data to be fragmented. This could be the problem super-apps solve for us, but the jury is still out on that. My view is that none of the current solutions work. This presents a huge opportunity. The question now is whether a start-up, bank or big tech gets there first.



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

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

He is an entrepreneur, investor and mentor in proptech and fintech. Follow Dharmesh on Twitter @dharmeshmistry and listen to the Demystify podcast he co-hosts.

The pillars on which the UK's financial security rests

By Tyler Pathe, reporter, FinTech Futures

Although the UK's pursuit of becoming a fintech hub and financial services powerhouse has made it a force to be reckoned with on the world stage, in doing so, it has made itself a larger target for criminal exploitation.

The Economic Crime and Corporate Transparency Bill is the latest development in the UK government's ongoing march against financial crime and money laundering. The bill, which is now entering its final passages within parliament, is poised to revolutionise how businesses, and particularly financial institutions, can strike criminal activity at its core.

The bill is to arrive off the back of the Economic Crime, Transparency and Enforcement Act, which the government instated in 2022 in the wake of the Russia-Ukraine war.

The act strengthened the government's powers to impose sanctions and investigate illicit activity, namely in the creation of an overseas entity register for UK properties owned by foreign criminals, and in the reformation of the Unexplained Wealth Order.

The measures sought to contain and eliminate one of the system's biggest weaknesses: the contagion of financial crime. One of the most favourable methods to cheat the system is through using a web of falsified corporate accounts interlinked between different institutions and third-party companies to clean dirty money.

COUNTERING CONTAGION

"The biggest threat within money laundering is corporate entities,"

Adam McLaughlin tells *FinTech Futures*, describing how criminals hide in the fluctuations typical of these types of accounts.

McLaughlin currently serves as director, global head of financial crime strategy and AML SME at Nice Actimize, a vendor of financial crime, risk and compliance solutions headquartered in New Jersey, US. Prior to this, he held notable positions at JP Morgan Chase, as AML compliance officer, and as a detective sergeant for the City of London police.

He says that it is this weakness in contagion that the UK government is striking against within its incoming Economic Crime and Corporate Transparency Bill.

Given that more than 100 of the world's top global financial institutions rely on Nice Actimize's solutions to fight crime effectively, McLaughlin has been closely following the progression of the bill and its anticipated impact.

"On paper, at least, it is quite revolutionary in terms of what they're hoping to achieve with this bill," he comments, adding that the bill ultimately consists of "three core pillars".

INSIDE THE BILL

The first of these pillars promotes transparency by encouraging data sharing. Although there is current legislation in place with gateways to facilitate private-to-private data sharing in the context of fighting financial crime, its stature remains subjective.

McLaughlin explains how this subjectiveness becomes problematic as it goes against the "very risk averse" interpretation of cautious financial institution legal teams. However, should it pass, the bill would introduce new measures whereby private-to-private data sharing won't be penalised if done to fight financial crime.

The bill is taking the ability to share information one step further with the creation of a third-party utility, a secure-access Cifas-like space for businesses to distribute and receive information concerning suspected cases of fraud.

CYBERSECURITY

For McLaughlin, this second pillar "completely changes the game" for information sharing, and he anticipates it having a considerable impact on the ability

of businesses to identify an oncoming threat. "I think it'll create a clear gateway for them to share information," he says.

The third and perhaps the most highly anticipated pillar of the bill is the Companies House reform. Both existing and new entrants to the register will now be required to verify their identity, in conjunction with giving new powers to the registrar enabling it to check, remove or decline information submitted to it.

In the spirit of the bill at large, Companies House will also now be able to share evidence of fraudulent behaviour or anomalous filings with law enforcement efforts, helping to clamp down on fraudulent corporate entities.

The bill also indicates a willingness to keep pace with "the latest advancements in digital technology", in that Companies House will now strive to present "more reliable, complete and accurate" financial information.

McLaughlin describes these amendments as "extremely encouraging" and "the biggest change to Companies House since it was created in 1844".

He says: "If this bill goes through, which I think it looks like it will do, then any director, person in control, or anyone associated with the company have to be validated by ID documents ultimately to Companies House to verify who they say they are, which is a huge shift from what exists today."

These three core pillars are joined by additional amendments allowing law enforcement agencies to more effectively take control of and recover cryptoassets in cases of money laundering and fraud, and

reforms to limited partnership registrations and transparency.

DATA EXCHANGE: A NEW REVELATION?

Although it heavily promotes the sharing and application of private-to-private data, the measures outlined in the bill aren't entirely unfamiliar. In some way, this type of data exchange has been happening in the industry for many years, even at the risk of non-compliance.

Taavi Tamkivi, the CEO and founder of regtech Salv, developed the company's Bridge platform to enhance collaboration between banks and fintechs, thereby improving combating money laundering, fraud and sanctions. On a broader note about the industry, Tamkivi observes that "at some level, data sharing has always been happening" in a "mostly legal" capacity.

"In private discussions, many people from the banks have been exchanging data with each other when it comes to crime information, even if they're not convinced that it's fully compliant," Tamkivi explains.

"People are doing it, putting their career at risk, because they want to save the world and want to reduce crime, even if it's not fully compliant with the likes of GDPR. So, in that regard, it has been always happening in a limited manner."

In this light, one of the major advantages of the advent of the bill is that it creates a clear and undeniably legal means for banks and financial institutions to share data effectively.

Furthermore, it firmly recognises how criminals exploit the interconnectedness

of the UK's financial ecosystem, sharing relevant data with each other to advance their criminal activities.

THE KEY TO DATA STANDARDISATION

Data exchange is therefore integral to fighting fire with fire, and the UK government appears to be pulling out all the stops to facilitate such an exchange effectively. Yet despite its promises of a newly created entity in which to distribute and share such knowledge, the bill has yet to irradiate one of the industry's primary barriers in data interpretation.

The standardisation of data exchanged from one entity to another is chief among the catalysts of executing this bill effectively. If, for example, a smaller entity lacked the ability to interpret data in the same way as a larger, more established entity, then its ability to put that data into practice would ultimately be limited.

As a renowned data scientist, Tamkivi likens this necessity for data standardisation to the formation of the railroads or the rise of mobile networks, all of which needed to be perfectly aligned in order to be successfully adopted by the consumer.

He identifies three core pillars in the progression of data standardisation: the structure of the data that's commonly accepted; the minimum requirements for technical and security protocols; and the widespread adoption of legally supported document-drive procedures.

It could be argued that this legality has been met in the formation of the bill, and perhaps elements of data security and structure might appear on the government's long-term agenda before too long.

As for the present moment, the bill completed its third reading in the House of Lords on 4 July, with additional amendments due to be considered by parliament on 4 September. Should it be ratified into law, it seems the bill could be set to come into force either later this year or at the beginning of 2024.

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FINTECH FUNDING ROUND-UP

Farther has raised **\$31 million** in a Series B funding round, which has valued the New York-based wealth management firm at \$131 million, more than double previous valuations.

The oversubscribed round was led by Lightspeed Venture Partners, and saw additional participation from existing investors Cota Capital, Khosla Ventures, MassMutual Ventures, Moneta Venture Capital and Bessemer Venture Partners, which previously led the firm's \$15 million Series A of August 2022.

Founded in 2019, Farther's proposition combines automation and human-led advisory services for wealth advisors and their high-net-worth clients.

To date, it has raised \$53 million in investment and as of April 2023, has close to \$700 million in assets under management.



UK trade finance fintech **Traydstream** has secured **\$21 million** in a Series B funding round led by Pivot Investment Partners and e& Capital.

Founded in 2015 and based in London, Traydstream operates a cloud-based platform and provides automated trade document scrutiny and compliance checking solutions to financial institutions and corporates.

UK-based mortgage lender **Perenna**, which was recently granted an unrestricted banking licence from the FCA and PRA, has secured **\$52 million** in fresh funding.

The equity investment comes from IAG Silverstripe, who exclusively led its \$30 million Series A round in September 2022, as well as from the lender's existing backers.

With the new funds, the bank aims to launch Perenna Mortgage, its long-term (20- to 30-year) fixed rate product, claiming a waitlist of over 5,000 customers already.

PortX has secured **\$16.5 million** in a Series B funding round, following on from the \$10 million Series A one year ago.

The round was co-led by venture capital firm Fuse and credit union collective Curql, which were joined by BankTech Ventures, EJV Capital and the Btech Consortium – all financial services-focused investment firms representing nearly 200 community financial institutions.

Founded in 2013 and based in Seattle, US, PortX operates an Integration-Platform-as-a-Service (iPaaS) for financial institutions, with its solutions enabling interoperability between internal systems and customer services such as online banking, credit checks, mortgage and loan applications through open access to data.

B2B payments start-up **Slope** has secured **\$30 million** in an equity round led by Union Square Ventures, with "major" participation from OpenAI's Sam Altman.

Additional participants in the round include Monashees, Y Combinator, and angel investors from Y-Combinator's start-ups.

Founded in 2021 and headquartered in San Francisco, US, the company offers a payments platform for enterprises. Using AI, it offers order-to-cash workflow automation including checkout, customer and vendor risk assessment, payment reconciliation and cash management.

Slope's total capital raised to date now stands at \$187 million.

French fintech **Swan** has raised **€37 million** in a Lakestar-led Series B funding round.

Existing investors, including Accel, Creandum, Bpifrance and start-up studio eFounders, are also believed to have participated in the round.

Founded in 2020 and headquartered in Paris, Swan provides white-label embedded finance solutions to companies looking to embed banking features, including accounts, cards and IBANs, into their user experience and workflows.

The fintech previously raised €16 million in its Series A of October 2021, which was led by Accel.

Leveraging its e-money licence from the Central Bank of France and existing presence in Spain and Germany, the fintech says the new round of funding will go towards "continued internationalisation", namely launching in the Netherlands and Italy.

It also plans to develop its enterprise capabilities with a new payment collection solution and additional lending products tailored to the specific needs of larger organisations.

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Curve, which bundles all existing debit and credit cards into one single card and app, has secured an additional **£58 million** in an extension of its Series C funding round. The round saw participation from Britannia, IDC Ventures, Cercano Management, Cohen Circle, Outward VC and other existing shareholders, and brings the total Series C funding to more than £133 million. To date, Curve has raised £208 million in equity investment.

Launched in 2018 and headquartered in London, UK, Curve claims 4.5 million customers internationally, and says it is "on trajectory" to reach profitability by early 2024.



B2B Software-as-a-Service (SaaS) fintech firm **Perfios** has secured **\$229 million** in funding from Kedaara Capital as part of its Series D round. Perfios' existing backers Warburg Pincus and Bessemer Venture Partners also took part in the round.

Founded in 2008 and based in Bengaluru, India, Perfios offers financial institutions solutions including origination, onboarding, decisioning, underwriting and monitoring processes, claiming to deliver 8.2 billion data points to more than 1,000 banks and financial institutions across more than 18 countries, and processing 1.7 billion transactions per year, with \$36 billion in assets under management.

With the funding, which is a combination of a primary fundraising and a secondary sale, Perfios plans to expand its operations to North America and Europe, alongside its existing markets of Middle East and Southeast Asia.

ZayZoon, an earned wage access (EWA) provider for small and medium-sized businesses, has secured **\$34.5 million** in debt and equity funding as part of its Series B funding round.

The round was led by Framework Venture Partners, with co-investment from Export Development Canada (EDC), and participation from ATB Financial as well as existing shareholders.

Founded in 2014 and based in Canada and the US, ZayZoon claims to have seen more than 400% year-on-year growth in payouts, fuelled by a "substantial" growth in customer base.

It says its platform is free for employers and takes "only 30 minutes" to implement, and also offers financial educational tools and resources for employees. Payout options include bank deposits, debit cards, and fee-free payout options such as instant gift cards and fuel cards.

Stitch, a South African paytech, has raised **\$25 million** in a Series A extension, led by Ribbit Capital. The company's existing investors, including PayPal Ventures, CRE Venture Capital and The Raba Partnership, and a new investor, 9 Yards Capital, also took part in the round.

This brings the total amount raised by Stitch since inception to \$52 million.

Founded in 2019 and headquartered in Cape Town, the start-up enables businesses to manage, orchestrate, reconcile and accept payments, and to disperse funds via its API connectivity and direct connections with banks and networks.

Miami, US-based B2B fintech start-up **Flex** (formerly known as Flexbase), has secured up to **\$100 million** in debt funding and \$20 million in equity funding as part of its Series A round. The debt funding came from Community Investment Management (CIM), while the equity capital was led by Florida Funders with participation from Home Depot Ventures, MS&AD Ventures, Companyon Ventures and others.

Also, Flex has launched its finance app catering to underserved small business owners, which includes a credit card (issued by Patriot Bank) as its core product, available to businesses in the US and Puerto Rico. By offering 0% interest for 60 days on all purchases, Flex aims to "reduce the hassle of expense reports, minimise administrative headaches and simplify employee card management" for small businesses.

UK challenger bank **Zopa** has raised **£75 million** in Tier 2 capital, bringing the total capital raised to £530 million to date (with £150 million raised over this year alone).

This continuous growth was highlighted by the bank's latest financial results. Its digital banking proposition, which launched in the UK in 2020 following regulatory licensing, includes personal loans, credit cards, savings accounts, money management tools and car financing options, and its one million active customers drive an annualised revenue run rate of £250 million.

According to its latest financial results, it has secured £3.5 billion in deposits to date, approved around £8 billion in personal loans and issued 470,000 credit cards.

Zopa hopes to reach full-year profitability in 2023, which will be the first for the bank. It also plans to grow its client base to five million by 2027.



This is just a snapshot of the fintech funding activity worldwide. For more info on these and many other deals, head over to the *FinTech Futures* website!

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MOVERS AND SHAKERS



Schuyler Weiss

Schuyler Weiss, founder and CEO of Swiss neobank **Alpian**, has resigned from his post to embark on a new career in public service in the US.

Alpian has named deputy CEO **Gianmarco Bonaita** as the interim chief executive.

Weiss founded the challenger bank in 2019 and has led it through several milestones as CEO, including the expansion of its team to over 100 employees across Switzerland and abroad, the growth of its client and asset base and a strategic collaboration with Fideuram – Intesa Sanpaolo Private Banking.

His previous experience includes stints as chief digital officer for REYL & Cie in Switzerland, vice president at Morgan Stanley, and as senior consultant, financial services, at IBM in the US.

UK high street bank **TSB** has appointed **Sailesh Panchal** as its new chief technology officer (CTO).

Commenting on his appointment on LinkedIn, Panchal highlights TSB's ongoing commitment to its customers, citing the creation of "a more engineer-focused, high-quality delivery model", the development of work cultures, processes and technologies, and the prioritisation of operational stability and security.

Prior to TSB, Panchal served as director of engineering and technology at Metro Bank, as CTO of Orwell Group, and as a chief architect and payments strategy forum member for the Payment Systems Regulator (PSR).

International paytech provider **Volante Technologies** has appointed **David Weber** as chief operating officer (COO).

With 25+ years of experience, Weber most recently served as interim chief financial officer at banking tech vendor Mambu and acted as an executive advisor to Technology Crossover Ventures (TCV), where he offered strategic guidance to portfolio companies.

He also held senior positions at investment management solution provider Charles River Development and data management platform AxiomSL.

Vodeno, a European Banking-as-a-Service (BaaS) provider, has overhauled its leadership with the appointment of **Philip McHugh** as chairman and **Noah Sharp** as CEO.

McHugh is the former CEO of payments solutions provider Paysafe. Prior to his three-year stint there, he was the senior executive vice president and president of TSYS Merchant Solutions for two years.

McHugh also spent two decades working for two banking heavyweights, most recently as CEO of Barclaycard Business Solutions and a further ten years at Citigroup, where he held several senior management roles within the credit card division.

Sharp joins Vodeno from BCB Group, a UK-based crypto payments firm, where he served as deputy CEO for just over a year. Prior to this, he was chief banking officer of Paysafe for two and a half years. He also held several senior roles within global banks during his extensive career, including Standard Chartered Bank and Deutsche Bank.

Sharp replaces Helen Smith, who has been interim CEO of Vodeno since the start of the year. The company's previous CEO and founder, Wojciech Sobieraj, joined Vodeno's board.

SmartStream, a provider of financial transaction lifecycle management solutions, has appointed **Akber Jaffer** as its new CEO. He replaces Haytham Kaddoura, who has moved to the role of advisor and board director.

Bringing more than 25 years of experience, Jaffer joins from Finastra, where he spent five years in senior leadership roles. Prior to Finastra, he spent more than 11 years at Colt Technology Services, most recently working as its chief strategy officer and chief of staff.

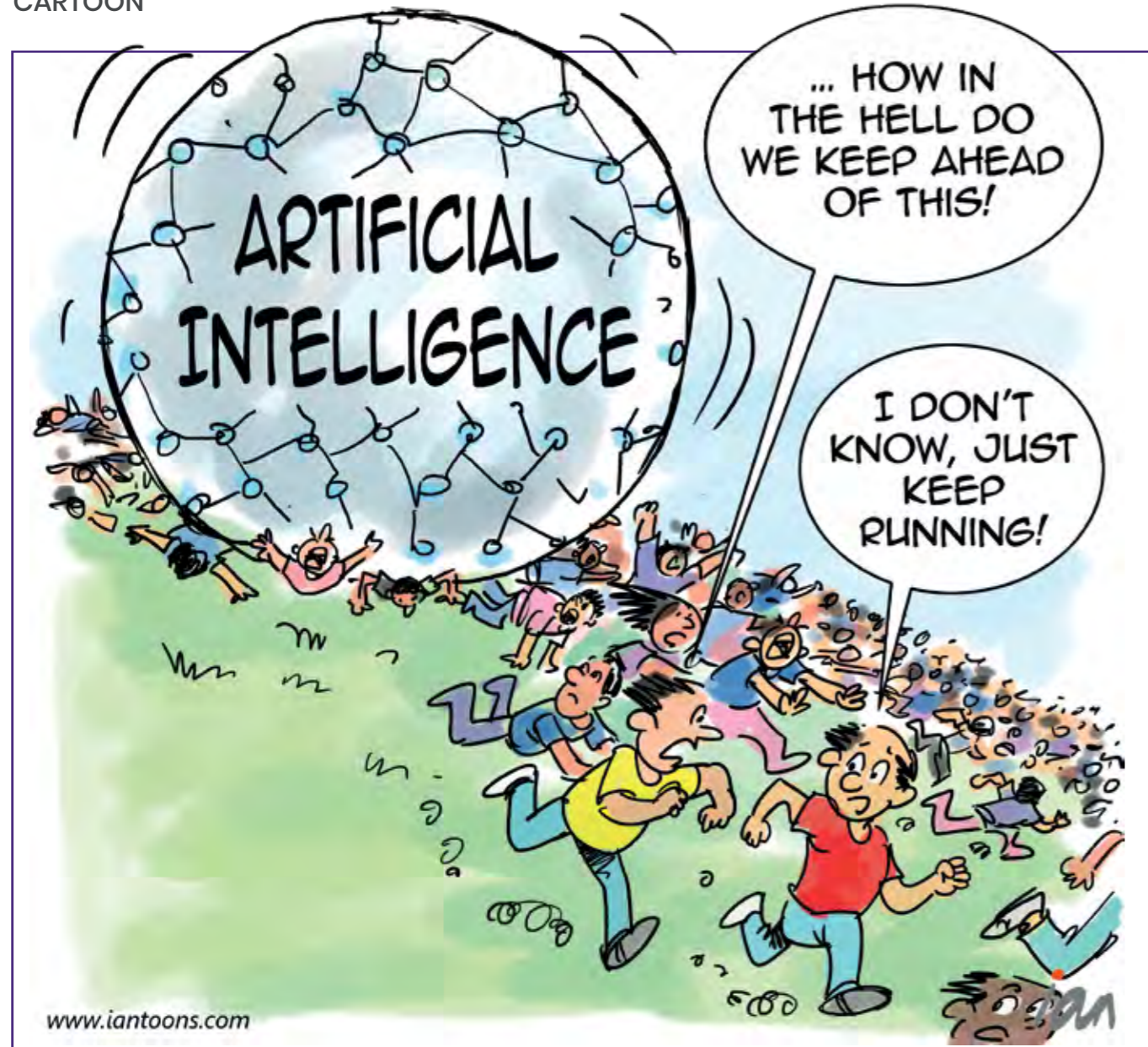
Digital identity verification firm **Onfido** has appointed **Daniel Keller** as CTO. With over two decades of experience, Keller moves from Visable Group, where he served as CTO for over six years. Under his direction, Visable "transformed from a B2B directory provider to Europe's leading B2B marketplace", Onfido says.

He also held senior roles at Scout24, Ciao!, Zanox, Axel Springer, Hitfox and Microsoft, and worked with various start-ups, including Berlin-based Solaris, where he helped lay the groundwork for its banking-as-a-service (BaaS) platform.

India's **Yes Bank** has appointed **Pankaj Sharma** as its new chief strategy and transformation officer.

With more than 25 years of experience in the financial services industry, Sharma moves from RBL Bank, where he served as COO. He also had stints at other Indian financial institutions including Axis Bank, ICICI Bank, ICICI Prudential Life Insurance and GE Countrywide.

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



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ARE WE READY?

Cartoon by Ian Foley

Artificial intelligence (AI) is advancing at pace, but we might not have all the unintended consequences worked out yet.

Geoffrey Hinton, the acclaimed Godfather of AI, recently remarked: "The idea that this stuff could actually get smarter than people – a few people believed that. I thought it was 30 to 50 years or even longer away. Obviously, I no longer think that."

Boosters of AI often talk about how it has the potential to increase the productivity of the economy and could improve people's lives. However, it needs to be managed to deliver on this promise.

Future societies have the potential to be more divided into those who have access to the compounding benefits of AI and those that do not. This could calcify social mobility in developed countries and make it harder for developing nations to catch up.

Potential ways to address this include 'democratising' access to AI, like what Amazon's datacentre-as-a-service model provides for access to cloud computing.

Also, by leveraging AI to improve our education system, we can deliver results that increase the opportunities for social mobility. For example, Knowji, an AI education company designed for language learners, tracks each student's progress and can predict words that students are likely to forget.

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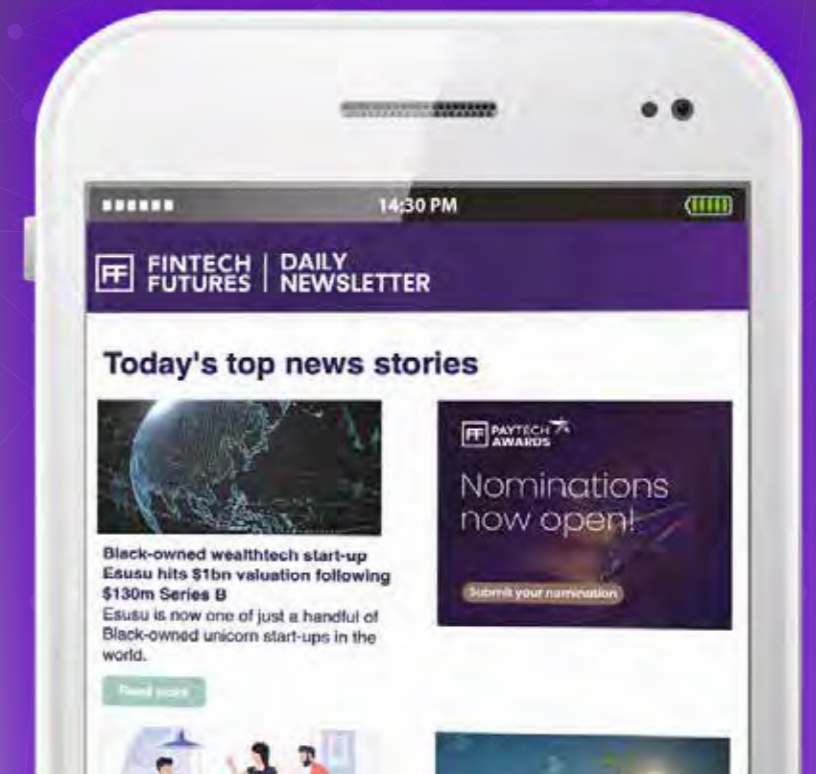
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