banking technology

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WINDS OF CHANGE
Squaring the circle on climate change

SLAM DUNK
Swedish banks team up on payments

ME, MYSELF AND AI
It is here, it is now. We need AI in our lives

Produced by FINTECH FUTURES

IN THIS ISSUE

EDITOR'S NOTE

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

Welcome to the September edition of *Banking Technology*, packed with thought-provoking commentary, punchy opinions, expert analysis and the coverage of notable happenings from around the world.

The digital currencies continue to capture the headlines. Payments heavyweight PayPal is set to launch a US dollar-denominated stablecoin, PayPal USD. Fully backed by US dollar deposits, short-term US Treasuries and similar cash equivalents, PayPal USD is issued by Paxos Trust Company. Eligible US PayPal customers will be able to transfer it between PayPal wallets, send P2P payments with it, make purchases at checkout, and convert PayPal-supported cryptocurrencies to and from PayPal USD.

The Republic of Palau, an island nation in the Pacific, has joined forces with Ripple to launch a limited stablecoin pilot. The first stages of the pilot will see the Palau Stablecoin (PSC) issued to around 200 local merchants and government employees across the country.

PSC is to be backed by Palau's official currency, the US dollar, at a rate of 1:1, and will be issued on the XRP Ledger (XRPL) blockchain.

Meanwhile, another high-profile fintech player, Revolut, is fully disabling access to cryptocurrencies for its US customers from October. The company says the move, however disappointing, doesn't affect users in other countries and impacts less than 1% of its crypto customers globally.

The decision comes as the relationship between cryptocurrency and US financial regulators becomes increasingly strenuous. Earlier in summer, the US Securities and Exchange Commission (SEC) brought charges against industry heavyweights Coinbase and Binance amid an apparent crackdown on crypto.

There will be, no doubt, lots of debate around digital assets, including central bank digital currency (CBDC), at the upcoming Sibos conference in Toronto. The *FinTech Futures* team will be on the ground, bringing you the event highlights and breaking stories – available on our website and social media, free and accessible to all!

NEWS ROUND-UP

New digital bank for the US military Roger launches

Image: Citizens Bank of Edmond

Roger, a new digital bank targeting members of the US military and backed by Citizens Bank of Edmond, has launched across the US.

It has been founded by Jill Castilla, a US army veteran who has served as president and CEO of Citizens Bank of Edmond for the last 14 years.

"When I enlisted, there wasn't a bank designed for me. I was shocked to see that, 30 years later, not much has changed," Castilla says. Roger is a bank "made for the day you join and perfected for all service members, veterans, their families and their supporters", she adds.

Members of the US military can open an FDIC-insured account with Roger through its mobile app in minutes, with access to features including direct deposits for pay cheques, access to money up to two days faster, spending insights, savings folders, savings round-ups and a Visa debit card.

The platform was built in partnership with banking tech provider Nymbus, which also supported Citizens Bank of Edmond with brand creation, go-to-market strategy and marketing.

UK fintech start-up Fronted closes down


Image: Toa Heftiba on Unsplash

Fronted, a London-based fintech that provides credit to help renters afford house deposits upfront, has closed down.

Founded in 2019 by Jamie Campbell, Simon Vans-Colina and Anthony Mann – former employees of Bud Financial, Monzo and Apple, respectively – Fronted helped renters finance their rental deposits with the option to pay the sum back monthly. It went live on Yobota's core banking platform in February 2021.

In the last four years, the start-up had raised over £20 million in debt and equity funding from investors including Fasanara Capital, Passion Capital, TrueSight Ventures and The Future Fund.

In an interview with Tech.eu, Jamie Campbell, co-founder and CEO of Fronted, says the firm decided to wind down operations following an increase in capital costs last year, which led to difficulties in offering its credit products to customers at a fair price.

"We knew that we had good results when customers were paying around about £50 for it, but the shift in the market meant we couldn't offer it for less than £100, and the price elasticity for our customers just wasn't there," Campbell tells Tech.eu.

Better.com gears up to go public through SPAC merger

New York-based digital mortgage lender Better.com is set to go public via an IPO by merging with the special purpose acquisition company (SPAC) Aurora Acquisition Corp.

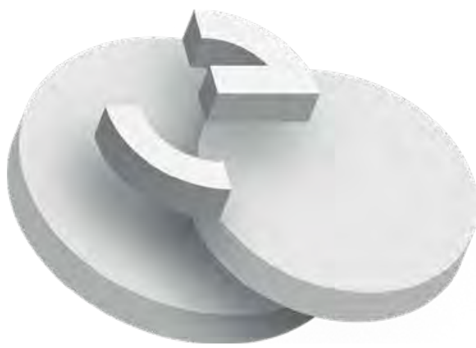
The merger will connect the lender with up to $750 million in capital, $550 million of which is to be derived through a subscription agreement with the Japanese conglomerate SoftBank, as per a separate listing with the SEC made in July. SoftBank's contribution could rise to another $100 million if it were to match a $100 million contribution from the investment firm Novator.

Better's journey to going public has been a long one. The lender had originally announced its plans for a SPAC merger back in May 2021 before delaying the move.

The company's founder and CEO Vishal Garg was most notably subject to significant backlash in December 2021 after laying off 15% of the company's workforce – about 900 employees – via a Zoom call.

The company then initiated a fresh wave of redundancies the following March, announcing that it was to axe an additional 3,000 employees, almost a third of its workforce.

Starling Bank plans to take its BaaS platform Engine to APAC



UK challenger Starling Bank is reportedly in talks to expand its Banking-as-a-Service (BaaS) platform Engine to the Asia Pacific (APAC) region.

Nick Drewett, Starling's chief commercial officer, told CNBC that the firm is in talks to deploy Engine with an undisclosed Asian bank, adding that the bank plans to utilise the BaaS offering to launch business accounts for SMEs.

Engine is Starling Bank's subsidiary, launched in March 2022, which offers banks and financial institutions around the world the ability to create new propositions or brands using Starling's core technology.

Starling had previously been plotting to expand into Europe by acquiring a banking licence from the Central Bank of Ireland, but it withdrew its application in July last year amid a rethink of its expansion plans, instead looking to focus on taking Engine global.

US fintech Block set to close European payments app Verse

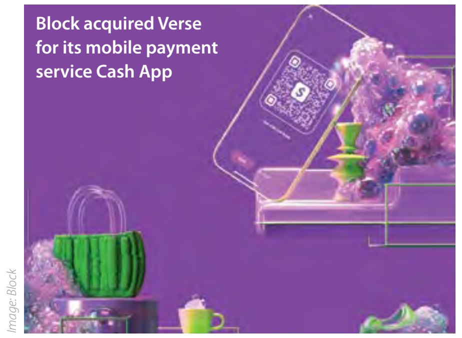


Image: Block

San Francisco-based payments company Block is to shutter some of its European business operations. The closures extend to its P2P payment app Verse in the EU and its BNPL platform Clearpay, which is to cease operations in Italy, France and Spain.

A note on the Verse website reads that the app will remain available until 13 September, at which point it will be deactivated and removed from app stores and devices.

Block's founder and CEO Jack Dorsey (former CEO and co-founder of Twitter) said at the company's latest earnings call that the two businesses required "significant investment" but had ultimately failed to generate the profitability that Block was expecting.

Block acquired Verse for its mobile payment service Cash App over three years ago with the ambition of boosting its presence in the European payments market.

It followed this by acquiring Australian fintech Afterpay and its European epithet Clearpay, which was completed in January 2022.

Despite Cash App having 54 million monthly users as of June and expecting a 27% year-on-year growth in gross profits in July, Dorsey informed analysts on the call of Block's decision to reduce its brand spending and participation in "more experimental channels" in favour of "channels with more proven returns".

Amrita Ahuja, Block's chief financial officer, said that Block was also downsizing its real estate footprint in the West Coast as part of its action to recover the $132 million operating losses in Q2.

Shawbrook mulls £3.5bn merger with Co-operative Bank

UK-based challenger bank Shawbrook is reportedly mulling a £3.5 billion merger with a long-standing mid-size banking player, Co-operative Bank, according to Sky News.

According to the reports, Shawbrook, which was founded in 2011 and offers lending and savings products to SMEs, consumers and real estate investors, has reached out to the owners of the Co-operative Bank and has made contact with Barclays to advise on a potential deal.

Co-operative Bank's history dates back to the 1870s. It provides services to consumers and businesses and positions itself as an ethical bank. The bank has been contemplating the idea of a sale for the last few years, it is understood, with sources telling Reuters earlier this year that the bank was also considering potential mergers, acquisitions and an IPO.

Co-operative Bank previously discussed a merger with rival high street bank TSB in 2021, but the approach was later rejected by its owner, Spain-based Sabadell Group. Then in March of this year, Sky News reported the bank's talks to buy the mortgage loan books of Sainsbury's Bank for £650 million also fell through after a failure to agree on price.

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

FINTECH FEED

THE NUMBER GAMES

To read more about any of these stories, visit ***www.fintechfutures.com/type/news***

€310,000

fine issued to e-money company TransferGo by the Bank of Lithuania for anti-money laundering (AML) and terrorist financing failings, alongside a mandatory instruction to resolve all identified violations and deficiencies by 1 December 2023

$289 million

in fines issued by the US Securities and Exchange Commission (SEC) to 11 Wall Street firms for "pervasive and longstanding 'off-channel' communications", in offences dating back to 2019

31

July 2023 – the day the Consumer Duty, a new regulation to protect financial services consumers, came into effect in the UK

10.3%

stake, worth $628 million, in Indian financial services firm Paytm, to be purchased by its founder and CEO, Vijay Shekhar Sharma, from Ant Financial

£1 billion

investment fund for UK fintechs has been launched by Fintech Growth Partners, backed by financial industry's heavyweights Barclays, NatWest, Mastercard, London Stock Exchange Group and Peel Hunt

$20 million

paid by Mexico-based neobank Albo for local fintech start-up Delt.ai; as part of the acquisition, José de la Luz, Delt.ai's founder and CEO, has joined Albo as its new chief operating officer (COO)

$100 million

credit facility secured by SME-focused fintech SumUp from Victory Park Capital as it looks to expand its merchant cash advance product

$112 million

pledged by the Monetary Authority of Singapore (MAS) over three years to support technology and innovation in the country's financial sector

$200 million

debt facility to be provided by Victory Park Capital to Petal, a New York-based credit card start-up

$178.6 million

to be paid by Svatantra for the acquisition of rival Chaitanya, making it the second largest microfinance entity in India, with combined assets under management of around $1.5 billion, and more than 3.6 million active customers through 1,500+ branches across 20 Indian states

Image: fscom

THEY SAID IT...

"I'm not sure that the FCA totally knew what was going to happen when it first published its rules and guidelines. I don't think it does fully now. But as time goes on, we get a clearer picture of impact and expectations. But right now, I think that's where firms struggle the most."

Alison Donnelly, director at fscom, discussing the Consumer Duty, a new regulation launched by the UK's Financial Conduct Authority (FCA) to ensure consumer protection in financial services

• Click here to read the full feature on the *FinTech Futures* website

TRENDING

Is the air going out of global fintech funding?

By Shruti Khairnar, reporter at FinTech Futures

Global fintech funding fell to $52.4 billion in the first half of 2023, down 17% from $63.2 billion in H2 2022, with the US taking the lion's share of investment, according to KPMG's latest report.

In the H1 2023 edition of its Pulse of Fintech report, KPMG states that the first six months of 2023 have been difficult for the global fintech market, with a "cloud of uncertainty" looming over investors.

It cites factors including high inflation, rising interest rates, geopolitical tensions and tech sector challenges including depressed valuations and lack of exits as reasons for the decline in activity, along with the collapse of several US banks.

EMEA AND APAC FUNDING FALLS

The Europe, Middle East and Africa (EMEA) region saw its total fintech funding for H1 2023 come in at $11 billion, less than half the $27 billion it saw in H2 2022.

The UK accounted for over half this amount, attracting $6 billion in funding, while other regions "lagged far behind" the UK's results. However, KPMG adds that several countries attracted deals over $250 million, including France, Switzerland and Mauritius.

Fintech funding in the Asia Pacific (APAC) region dropped from $6.8 billion in H2 2022 to $5.1 billion in H1 2023, a "far cry" from the more than $45 billion it saw in H1 2022.

The largest funding deal in APAC in H1 2023 was the $1.5 billion secured by Chinese consumer finance company Chongqing Ant Consumer Finance.

NOT ALL BAD NEWS

Investment activity in the US makes up a big chunk of the total global funding, with its $34.9 billion accounting for more than two-thirds of the $52.4 billion seen globally. The US also accounts for five of the seven deals worth more than $1 billion, including the $8 billion acquisition of Coupa by Thoma Bravo.

KPMG states that payments also remains the "top fintech sub-sector", accounting for $16.2 billion in funding globally in H1 2023. Top deals include the above-mentioned Coupa buyout, the $6.9 billion raise by Stripe and the $4 billion acquisition of EVO Payments by Global Payments.

In terms of growing fintech sub-sectors, KPMG shines a spotlight on supply chain and logistics, which took away $8.2 billion of the funding seen in H1 2023, a record annual high. Green fintech also fared well, raking in $1.7 billion in funding – which is more than its total 2022 result.

Other sectors with strong funding in H1 2023 include insurtech ($4.7 billion) and B2B fintech ($3.7 billion).

LOOKING AHEAD

For the second half of the year, KPMG expects fintech funding to "remain relatively soft", with no end in sight to the current macroeconomic and geopolitical uncertainties. In case the market stabilises, the firm expects the market to make a "cautious rebound".

One area in which it expects to see a strong interest from investors is artificial intelligence (AI), and generative AI in particular, as companies around the world look to leverage its full potential.

"It is still very early days when it comes to the application of generative AI to use cases in financial services," says Anton Ruddenklau, global fintech leader at KPMG. "But looking forward, it is an area that is attracting enormous interest and funding – particularly in areas like cybersecurity, regtech and wealthtech.

"Over the next six months, we'll start to see an uptick in investors embracing the space as corporates demand ways to leverage generative AI effectively."

THE HEART OF THE MATTER

Go green software – your bonus may depend on it!

By Dave Wallace

Climate change is firmly back on the news agenda as more and more temperature records tumble worldwide.

Once again, scientists are reiterating that there is robust evidence of the link between CO2 pollution resulting from our consumption of fossil fuels and our warming world.

At the same time, generative AI has pitched up. ChatGPT has become one of the fastest-adopted technologies ever. But ChatGPT uses a phenomenal amount of energy. The Indian start-up Zodhya has calculated that training ChatGPT-3 would have required over 1,000 megawatt-hours (MWh) of electricity, which is enough by some estimates to power one million homes annually.

And that's just to get started. Each ChatGPT query is said to require 6.79 watt-hours, the equivalent energy of running a five-watt LED bulb for one hour and 20 minutes. And we know globally there are a lot of queries being made and, therefore, a lot of energy is being consumed.

These two competing narratives nicely illustrate the dilemma we face. We know we need to cut emissions, but we also (rightly) love technology. Without a global moratorium on technology and a return to an agrarian society (which is about 0% likely to happen), we must find ways to make technology more efficient.

The banking industry is a big producer and consumer of technology, and that is only going to continue. I often joke that banks are tech businesses with an accountancy practice strapped to the side. For example, in 2020, 25% of Goldman Sach's employees were engineers. At the same time, many banks have committed to achieving net-zero by 2050. So, how do we square the circle?

One focus is the machines and the data centres that house those machines. Another is to look at the software produced by the developer community and ensure that it conforms to practices and standards that factor in sustainability and efficiency.

I recently discussed the topic with two thought leaders in this field: Asim Hussain, director of green software and ecosystems at Intel and executive director and chairperson for the Green Software Foundation, and Eric Zie, CEO and founder of GoCodeGreen.

The Green Software Foundation is a not-for-profit group on a mission to build a trusted ecosystem of people, standards, tooling and best practices for creating and building green software. GoCodeGreen is a world-leading diagnosis platform to measure the carbon impact of digital products and services.

According to Asim: "As concerns about climate change intensify, organisations increasingly recognise the need to address the environmental impact of their digital operations. Green software is gaining prominence as a strategic approach to reduce energy consumption, optimise resources and minimise carbon emissions throughout the software development lifecycle."

Embracing sustainability measures and investing in green software principles can benefit organisations through:

- **Appeal to consumers:** Consumer preferences are shifting in favour of environmentally conscious companies. A green software approach can bolster brand reputation, attract eco-conscious consumers and enhance consumer loyalty.
- **Retaining talented employees:** Sustainability is increasingly important to the workforce. Companies prioritising sustainability, including green software practices, will attract and retain skilled employees who align with their environmental values.
- **Complying with regulations and attracting investors:** The regulatory landscape is evolving, and sustainability is starting to take centre stage. Organisations can get ahead of and comply with environmental regulations and investor expectations by adopting green software practices. Integrating sustainability efforts will position companies more favourably for increased funding and investment opportunities.
- **Reducing costs:** Green software initiatives reduce costs by optimising resource utilisation and energy consumption. Businesses can benefit from improved energy efficiency, streamlined operations and decreased carbon emissions. Additionally, by implementing sustainable practices, organisations can mitigate future risks associated with potential carbon pricing or regulatory penalties.

The foundation has recently released its "2023 State of Green Software" report, featuring global insights and data from industry leaders and researchers. It is incredibly detailed, packed with interesting findings and well worth taking the time to read.

For example, it says 63% of CEOs do not rate sustainability as a top priority (based on an IBM Global survey of 3,000 CEOs). But 64% of software practitioners are already measuring their impact. Another circle to square!

I asked Asim how companies should go about systematically approaching adopting green software practices.

He responded: "It all starts with culture. Ensuring that the right culture is in place is vital. Leaders must understand the importance of this to their businesses, employees and customers and encourage a culture that supports a green technology agenda. Sustainability has to be embedded at all levels across functional areas.

"We also believe knowledge is critical. The journey to being green can feel like navigating a maze with scattered and inaccessible information. The Green Software Foundation is sifting and sorting relevant information and making knowledge more accessible to bridge the gap between academia and practitioners. We aim to give software professionals the clarity and guidance they need to take decisive action towards sustainability.

"The final piece of the puzzle is tooling. Part of our mission at the Green Software Foundation is to break down barriers to sustainable practices with tools that make measurement and monitoring easy, leaving no excuse for anyone to neglect sustainability."

Eric told me: "Absolutely measurement is vital. How can you change and improve without the right data to make decisions and take action? That's why GoCodeGreen exists: to empower through data and insight and to help software designers and engineers make better decisions.

"If we see software as problematic, a recommendation could be to connect developers with the Green Software Foundation for access to its knowledge base. It is so important for organisations to accept that knowledge sometimes sits outside their boundaries and that collaboration is key to accelerating action. The 'not invented here' mentality will limit progress."

In the same way that accessibility has become an intrinsic and regulated aspect of the way code is developed, green standards must follow. It is worth getting with the programme now.

If you are a start-up, research what this means and make sure your code is as efficient as possible. Suppose you have an existing technology stack. Give it an audit and see where change needs to happen. Educate yourself about greening your technology if you are a CEO or senior leader and understand that it is very much a priority. Everything else aside, your bonus may depend on it!

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 @davejvwallace and listen to the Demystify podcast he co-hosts.

The convergence of CX and FX and the impact on user experience

By Rob Heidenreich, VP of global sales and partnerships, Loqate

“Anywhere a new customer account is being created or updated, capturing accurate data and mitigating risks are top priorities. In this way, CX is second only to security when building today’s digital-first platforms.”

Rob Heidenreich, Loqate

There’s a significant trend among e-commerce companies occurring that is seamlessly integrated, nearly invisible to the customer and unseen by the end user.

They’re integrating user experience (UX) with the financial and fraud experience (termed FX here), and considering both as integral parts of an engaging customer experience (CX).

The power of these solutions produces secure and captivating online experiences, converting buyers into repeat customers.

As consumers discover new fintech-powered experiences, they expect the same level of user-experience in every product they interact with – irrespective of the industry.

We see this with companies like Walmart, Amazon, Apple, Starbucks, and McDonald’s. They are embracing solutions such as buy now, pay later (BNPL) options exemplified by Klarna, payment solutions such as Bolt and Bold Commerce, fraud prevention tools from Alloy, IDology, and Ekata, and even fintech solutions such as cross-border payment products from companies like Mastercard. This is where CX and FX converge.

These solutions not only reduce friction and fraud, but also enhance the CX.

LEARNING FROM E-COMMERCE

Today’s consumers have high expectations for consistency and minimal friction across all channels. In fact, according to a study by IDology, 47% of the consumers surveyed said they would abandon a brand after two negative digital interactions.

E-commerce companies have known for years that an experience with minimal friction is pivotal.

Overly burdensome or complex verification procedures can lead to a poor user experience. This is why verification processes need to strike a balance between UX and compliance requirements. For instance, tools like type-ahead global Address Verification eliminate friction by simplifying address entry for the consumer while providing businesses with the most accurate customer data.

Clean, accurate, and properly structured data, captured on input, is not just about accurate deliveries. Ecommerce systems must integrate with other platforms and external data sources like billing, CRM, CDP, fraud and marketing/personalisation systems.

Integrating address verification solutions into these systems not only improves CX, but helps improve data integration, data matching and data quality processes. This resolves differences in data formats and varying address data standards.

For example, Loqate recently completed a study with a leading global fintech company where Loqate’s Address Verification improved their accuracy by 7% in the US and between 13-47% internationally. The downstream impact of that 7% flows to other systems, and translates to enhancing data analysis and fraud models, improved customer data matching, as well as improving other business processes.

BEYOND E-COMMERCE

The reality is, that the UX/FX challenge should be embraced within any application where an individual is being onboarded. This includes human capital management (HCM), payroll platforms, healthcare and more.

During onboarding, address verification plays a role in complying with the legal and regulatory requirements that accompany HCM and healthcare solutions. Similarly, tax regulations require accurate employee addresses for proper withholding and reporting, while labour laws, immigration regulations, and benefits administration also require timely, accurate address information.

Anywhere a new customer account is being created or updated, capturing accurate data and mitigating risks are top priorities. In this way, **CX is second only to security when building today’s digital-first platforms**.

SECURE EXPERIENCES WITH MINIMAL FRICTION

As we navigate an increasingly digital future, the marriage of CX and FX will continue to play a pivotal role in defining business success. This is creating **an opportunity for every product owner of any application to analyse its own CX** to identify areas where they can embrace e-commerce learnings to create a frictionless experience.

Companies that create an optimised, secure UX that meets the ever-evolving demands of consumers will continue to stand out above the rest.

Rob Heidenreich is vice president of global sales and partnerships at Loqate – a GBG company, where he is focused primarily on Loqate’s global market expansion within fintech, payments, and fraud/identity industries.

Before joining GBG, he was with Mastercard where he served within Mastercard Advisors, Mastercard’s professional and data and services consulting arm. Prior to Mastercard, he held multiple roles within various Austin venture-backed companies, and was co-founder and CEO of 360Science.

Resilience, automation tech and connected banking

By Neil Ainger

Andrew McKibben, international head of technology and operations (non-US) and head of global corporate and investment banking technology at Bank of America (BofA), believes operational resilience will be a key theme for this decade.

In this Q&A with *FinTech Futures*, he discusses automation technology in an increasingly interconnected tech landscape; the changing relationship between fintechs and banks; and much else besides.

The London-based Northern Irishman joined the bank in 2006 in Singapore after formerly working for Dresdner Kleinwort Wasserstein for six years. McKibben has held a number of finance and risk technology positions during his 20-plus year career and is a passionate advocate of STEM (Science, Technology, Engineering and Mathematics) at all educational levels.

What is the scope of BofA's tech investment and philosophy?

BofA has a large number of tech systems at the bank to support our diverse clients. This is one of the many reasons that we spend almost $11 billion a year on technology, with $3.8 billion of that allocated to new projects. We filed a record number of 2022 patents as well, with 608 registered last year by the US Patent and Trademark Office, a 19% rise year-on-year.

Key automation technologies such as artificial intelligence (AI) and particularly machine learning (ML) applications were to the fore, alongside information security and payment end uses.

Our IT spend also reflects the increased need for, and regulatory focus on, operational resilience, which is a key ongoing theme. It's a continuing priority to ensure the stability, resilience and security of our tech platforms, so that we can support clients through periods of heightened volume and volatility.

We cannot always predict these periods. But we need to be ready and make sure our employees have the required technology to deliver for our end-use clients.

How is automation technology used in the industry and by you?

Automation tech is used in multiple financial services areas by BofA. For example, it can help onboard new clients faster, and to assist the speed and data-rich fast delivery of financial market information, services and execution tools.

Banking is a trust business and it's important that automation technology is both customer and process led. You have to really understand a business process and tie it back to what the client need is – and ensure the benefit you're delivering to them, or to staff, is tangible and real. That is the development pathway we follow at the bank.

For example, if you automate ten parts of a procedure it might not optimise it – if it really should only contain three elements in the first place.

Having a diverse team to build, test and use automation technology is also paramount. Diversity produces the best outcomes. The value we deliver as a company is strengthened when we bring broad perspectives together to meet the needs of our diverse stakeholders.

You mean people, process and technology must be aligned?

Exactly. People, process and technology – whether automation is the end aim or not – must be aligned. You cannot change one without the other. Redesigning the workflow in collaboration with teammates and experts who really understand it before deploying the technology is what leads to good outcomes and wise, efficient investments. You shouldn't only be tech-led.

Tell us about one of BofA's specific end uses for these key technologies

We deployed a new one-stop-shop financial markets platform last year called Glass. It consolidates market data across all asset classes and regions, and integrates the data with in-house models, machine learning techniques and visualisation capabilities to create a one stop shop for market insight.

Using millions of calculations around the clock, Glass helps sales and trading teams uncover hidden market patterns, gain forward-looking insights and implement systematic strategies. It has enabled us to leverage data-driven insights to best anticipate client needs and provide them with optimum liquidity – and the most suitable products at critical times. This helps our clients to better navigate market volatility, manage risk and reduce their transaction costs.

"Global banks can help with scale, client base, resources and knowledge, and fintechs have the ability to solely focus on their chosen field of technology… We can learn from each other."

Andrew McKibben, Bank of America

How has the relationship between fintechs and banks changed over the last decade: competitors or partners?

There are lots of fintech firms in London, UK, where I'm based, and indeed globally. But the relationship is far more collaborative than ten or 20 years ago. We can learn from each other.

Global banks can help with scale, client base, resources and knowledge, and fintechs have the ability to solely focus on their chosen field of technology.

Cooperation, not competition, is therefore definitely the common approach nowadays. An example is Pay by Bank, which was created with UK fintech, Banked.

This BofA badged payment solution lets customers of e-commerce firms, initially in the UK, pay directly from their bank account. Pay by Bank transactions, which are based on the concept of open banking and APIs, take place in real-time [over domestic instant payment rails] and require no credit or debit card details. This makes online checkouts simpler, faster and more secure.

How do you see this collaborative bank and fintech sector evolving?

It will be a never-ending evolution loop. In financial services, as more people require more sophisticated services and the overall scale of it continues, there's more collaboration needed between tech firms and banks.

Collaboration brings creativity, new ideas and initiatives. Through discussion, mentoring and advice, we can help these young companies take the next steps of their journey. And we're excited to see where this pathway leads.

PAYTECH AWARDS 2023

PayTech Awards, which took place earlier this summer in Merchant Taylor's Hall in the heart of London, celebrated remarkable achievements and breakthroughs in the global payment technology sector, showcasing the industry's brightest talents.

The awards gathered professionals from banks, payment services providers, financial institutions, fintechs and paytechs to honour their extraordinary accomplishments. The event's success was a testament to the hard work, dedication and creativity of all nominees and winners.

A heartfelt thank you to everyone who participated, the awards' supporters and partners, and sponsors FreedomPay and Veritran. We'll be back next year putting the top projects, products, companies and people in the spotlight at the PayTech Awards 2024 – join us!

PayTech Project Awards

BEST CONTRIBUTION TO ECONOMIC MOBILITY IN PAYMENTS

Sponsored by veritran

Winner

Banco de la Nación Argentina – Go big or go home: building Argentina's largest bank first app

Highly commended

MTN and Ericsson – MTN Mobile Money Open APIs

BEST BANK & PAYTECH PARTNERSHIP

Winner

BPC and Cake Bank – Digital banking platform delivers credit cards to provide a full range of financial services

Highly commended

Citizens Financial Group – Citizens Pay and LiftForward Partnership

DBS Remit – DBS Remit via Bangladeshi Taka (BDT) Corridor

BEST USER/CUSTOMER EXPERIENCE INITIATIVE – CONSUMER PAYMENTS

Winner

Tink & PayPal – Tink and PayPal partner to expand open banking technology

Highly commended

DBS – Digital Operation Transformation eDDA

BEST MOBILE PAYMENTS FOR CONSUMERS INITIATIVE

Winner

HBL – Payments Aggregator

Highly commended

İşbank – Nays

DBS Bank LTD – DBS PayLah

BEST MOBILE PAYMENTS FOR SMES INITIATIVE

Winner

MTN and Ericsson – MTN Mobile Money Open APIs

BEST CARDS INITIATIVE

Winner

b1BANK – Corserv's Turnkey Credit Card Issuer Program

Highly commended

Payhawk – Spend Management Solution – MDM Props

BEST NEW PAYMENTS BRAND

Winner

Currencycloud, Visa, Tribe Payments and eToro – Currencycloud, Visa and Tribe Payments, partnering with eToro to create a payments first: eToro Money

Highly commended

Zenus Bank – Zenus Bank Visa Infinite

Tyl by NatWest – Tyl by NatWest

Corpay Cross-Border Solutions

PAYTECH FOR GOOD

Winner

B Generous – Revolutionizing Charitable Giving for Good – Donate Now, Pay Later™

BEST USE OF TECH IN COMBATTING FRAUD

Winner

Ecommpay – Anti-Fraud Graph Analysis

BEST USE OF TECH IN CONSUMER PAYMENTS

Winner

BPI – Virtual Assistant

TOP INNOVATION IN PAYMENTS

Winner

Corpay Cross-Border Solutions

Highly commended

Worldpay (UK) Limited, FIS Company – Worldpay: Rewiring Card Payments

Pax2pay – Payments Optimisation Engine

TOP INNOVATION IN PAYMENTS BY A BANK

Sponsored by FREEDOMPAY

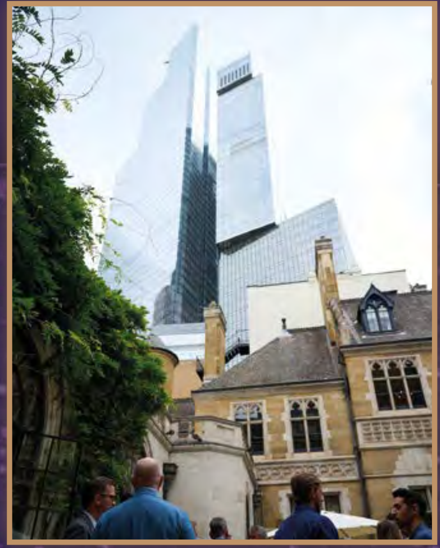
Winner

Payit by NatWest – Payit by NatWest

A breathtaking venue for an evening of celebration














Excellence in Tech Awards

BEST BUSINESS PAYMENTS SYSTEM
Winner
Accertify
Highly commended
PayU – Payor payments platform
Ratio – BOOST and TRADE

BEST BUSINESS PAYMENTS SYSTEM – GLOBAL & MULTI-CURRENCY ACCOUNTS
Winner
Transfermate – Global Accounts by TransferMate

BEST BUSINESS PAYMENTS SYSTEM – SMART PAYMENT REQUEST & COLLECTION
Winner
PayNearMe – PayNearMe Smart Link

BEST BUSINESS PAYMENTS SYSTEM – CROSS-BORDER & REMITTANCES
Winner
Viamericas Corporation – ViaConnect – Remittance as a service (RaaS)
Highly commended
UniTeller Financial Services – UniTeller Digital Link – Remittances as a Service

BEST BUSINESS PAYMENTS SYSTEM – UK & EUROPE
Winner
Hokodo – Digital Trade Credit and B2B Buy Now, Pay Later
Highly commended
Enfuce Financial Services – Card as a Service
Modulr – Modulr UK & European embedded payments platform

BEST INDUSTRY FOCUSED PAYMENTS SYSTEM
Winner
Sonovate – Funding the Flexible Future of Work
Highly commended
Paramount Commerce – Paramount Commerce

BEST PAYTECH FOR BANKS & FINANCIAL INSTITUTIONS
Winner
Pismo

BEST RETAIL PAYMENTS SYSTEM
Winner
Etika
Highly commended
ADP – Wisely by ADP
Transact Campus Inc. – Transact Integrated Payments




Magician Darren Delaney has a nose for it


Comedian Jo Caufield returned to entertain guests and present awards




BEST SPEND MANAGEMENT SYSTEM
Winner
Payhawk – Best Spend Management System

PAYTECH FOR GOOD
Winner
Yapily, Volt, and Token – Yapily x Volt x Token: Open banking for good #StandWithUkraine

PAYTECH START-UP OF THE YEAR
Winner
Ecolytiq – Sustainability-as-a-Service® product suite
Highly commended
Crezco – Crezco
Brite Payments – Instant Payments and Payouts
Mondu – Mondu BNPL for B2B

TECH OF THE FUTURE
Winner
Car IQ – Car IQ Pay
Highly commended
Payouts OS – PayQuicker's Payouts OS
Marqeta – Marqeta's web push provisioning feature expands what's possible with tokenization
Resistant AI – Identity Forensics

TECH OF THE FUTURE FOR BANKS & FINANCIAL INSTITUTIONS
Winner
Form3 – Form3's Payment Platform

TECH OF THE FUTURE – DIGITAL CURRENCY
Winner
Binance – Binance Pay

TECH OF THE FUTURE – CHARGEBACKS
Winner
Chargebacks911 – Chargebacks911

TECH OF THE FUTURE – DIGITAL IDENTIFICATION, VERIFICATION & SECURITY
Winner
Socure – Socure ID+

TECH OF THE FUTURE – UK & EUROPE
Winner
Crezco – Crezco

TOP TECH OF THE FUTURE BY A BANK
Winner
Millennium BCP – iziBizi

For more information, photos and videos go to paytechawards.com

Leadership Awards

PAYTECH LEADERSHIP
Winner
Olegs Cernisevs, CTO, Blackcatcard by Papaya Ltd

PAYTECH TEAM OF THE YEAR
Winner
Allica Bank – Paytech Team, Allica

RISING PAYTECH STAR
Winner
Emily Watson, senior director, payment solutions & growth, Flywire

WOMAN IN PAYTECH
Winner
Ravneet Shah, chief technology officer, Allica Bank

Highly commended
Lauren Martin, VP of legal, Dwolla

WOMAN IN PAYTECH – FOUNDER
Winner
Monica Eaton, founder, Chargebacks911

WOMAN IN PAYTECH – SPEARHEADING GROWTH
Winner
Amanda Gourbault, chief revenue officer, CompoSecure

EDITOR'S CHOICE
Winner
Clear Junction

Leda Glyptis signed copies of her book, *Bankers Like Us*

Darren Delaney appeared in the courtyard to further bamboozle guests

For more information, photos and videos go to paytechawards.com

I'M JUST SAYING...

The "bank of me"

By Dharmesh Mistry

There's no doubt that generative AI, and especially ChatGPT, is the biggest tech innovation of 2023.

For me, enhancing the customer lifecycle is the most exciting and impactful use of AI

It's difficult to avoid it, whether you are reading your favourite tech or banking newsletters, attending a conference or just browsing social media.

So this issue, I'm going to add to the growing dialog around the role of AI, but with a focus on the customer journey.

INTRODUCER

Every person's banking journey starts with a need: to transact, save, invest or borrow. As such, bank websites market products to meet these financial needs. Increasingly, consumers have used comparison sites to find the best product/deal. These sites earn their money simply by taking a margin or introduction fee from products found and purchased on their site. Customers are saved from going to individual provider websites, which is why these comparison sites are often referred to as 'aggregators'.

However, with hundreds if not thousands of products on the market, predefined search criteria are limited in guiding customers to the right product. With the right data sets, generative AI could be used to help them find the product they're looking for. For example, customers could search: "Which stocks/shares ISA pays the highest interest on cash balances and has the lowest trading charges?" However, introducers need to be careful about providing 'advice'. More on this later.

TRANSACTOR

Today, customers have a wealth of 'channels' they can use to make transactions, and many banks have already provided AI-driven chatbot services for a number of years. However, these bot services tend to be similar to internet or mobile banking services, simply replacing a screen action or form with a conversation that asks for the data required to complete the transaction. I've yet to find one that could understand a command such as "create a regular payment to my savings account on the last working day of every month using 50% of any positive balance in my current account", or, "transfer money from my savings account to my current account whenever required to ensure I never have a balance less than £100".

ADVISOR

Being a financial advisor is challenging for a number of reasons, the primary one being that you need to ensure that regulations around financial advice are met. And from an AI perspective, ensuring there is no bias in the advice is also key. The best way forward with AI is to first specialise on individual products (like a special-purpose AI) before looking at broader advice (a general-purpose AI).

For example, Abaka.me provides AI for savings and pensions. Financial advisors will typically argue that 'financial advice' is just as much, if not more, an emotional decision as a financial one. However, Abaka.me already profiles customers on a wide range of data points, including behavioural, social, emotional, financial health and traditional personal data.

PERSONAL ASSISTANT/COACH

For banks, the three previous points are the three dominant areas of focus. However, Bank of America has already started the journey towards 'lifestyle coaching' – albeit for me, it offers quite a rudimentary capability. Others had started out on this journey much earlier as well, such as Albert. However, like a few others, Albert now combines its app with human advisors. For me, there are some apps that help with lifestyle journeys that could incorporate AI to create a special-purpose AI.

For example, FirstHomeCoach provides both educational content and a marketplace of third-party solutions for first-time house buyers. This incorporates not only solicitors and lenders but also things like moving companies or saving for a deposit. Aside from benefitting customers with a conversational interface, AI could also be used to make recommendations using a broader data set, like Abaka.me has done.

THE "BANK OF ME"

During my time at Temenos as the company's chief digital officer, I had a video created to visualise what customer interactions with a bank in the future might be like. It showed a range of devices, conversational dialogue and screens where necessary. The service was highly personalised and incorporated data and services from third parties so entire 'lifestyle journeys' could be managed and not just the financial services elements. The video is still available on YouTube (search for 'Temenos Bank of Me'). It's about five years old now but I think it's still very relevant.

There is a scene with a customer out jogging who asks, "So where have all the banks gone?". The response from the AI is, "I am a bank", and it goes on to explain how the bank is using her data to personalise her service and be a personal assistant. Later, the assistant helps another customer decide on whether to buy a dog or not by helping her understand the financial and health benefits of owning one.

In my last venture, AskHomey, we imagined the service helping people to understand how their house could be made more energy efficient. This was not the basic service available on many sites now. It would go further to understand floor space and whether carpets, wood floors or stone floors were best, the payback period for new windows and more.

This issue, I'm just saying that whether we like AI or not, whether we think it can lead to a dystopian or utopian future or not, it is here and it is now. The best time to incorporate it was yesterday, the next best is today. There are many more ways that AI can be incorporated, especially internally, but starting with the customer lifecycle (advice, sales and service) for me is the most exciting and impactful use of AI.

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.

How rivals teamed up to build a Swish new payment method

By Christer Holloman

The world's most successful fintech innovation that most industry people have not even heard of, Swish, is used by 91% of all adults in Sweden.

FinTech Futures recently sat down with Ģirts Bērziņš, head of digital strategy and innovation at Swedbank – one of the largest banks in Sweden – to discuss innovation and how collaboration among competitors can ensure banks stay relevant for at least another 100 years.

LAGGING BEHIND IN AN ACCELERATING WORLD

At the dawn of the new millennium, the Swedish payments market was dominated by cards, cash and transfers from one account to another – for example, Bankgirot and PlusGirot payments. The use of cheques had declined substantially, although cashier's cheques were still frequently used for large payments.

For private individuals, there was only one functional alternative to cash, and that was bank transfers. These were common but were also associated with a number of deficiencies and uncertainty factors, both for the payer and the payee. Bank transfers were, in other words, not a viable option that would enable the market to step forward into a modern, secure, future-proof solution. Something new was needed.

At the time, Swedbank had completed some proofs of concept for P2P payments and had an ongoing mobile payment project built on card infrastructure (Bart). Ongoing initiatives showed there was something missing; banks had been operating in their comfort zone and moving slowly, and that had to change immediately.

DITCHING OLD METHODS TO ALLOW FOR INNOVATION

Swedbank used to think that innovation was only possible if it was born and delivered within the bank. Being naturally risk averse meant innovation happened in iterative steps around the bank's core services. To minimise risks, the bolder ideas were tested together with other market companies, even competitors.

In parallel with the EU, Swedish banks created a working group under the umbrella of the Swedish Bankers' Association. Once the Swedish banks got together around a table, it became apparent that many had ideas about mobile payments, and they had a lot of experiences to share with one another. This led to the idea of a shared app.

Collaboration between multiple national banks is no swift process, if done traditionally. Swedbank acted as a lead bank, and realised it had to move away from waterfall to agile to deliver this on time. It set up a team with business and IT working together using agile methods, including short sprints, daily meetings and incremental planning. The bank believes that without this commitment from management, and without this foundation in place, a collaborative effort as great as this could not have been achieved.

COLLABORATING WITH CUSTOMERS

In December 2012, the first version of Swish, for payments between private individuals, was launched. To get the fee structure right the bank had conducted customer surveys, using both unique interviews and large surveys. The outcome was clear and showed that as many as 75% were willing to pay for the service. However, after a massive backlash on launch, the price was later reduced to zero.

> "The members of the Swedish Bankers' Association, despite their different DNA, size and domestic markets, successfully united under a single brand and cooperated across boundaries."

Swish was a resounding success, which led to the development of Swish for companies (C2B), Swish Corporate (C2B), and Swish Retail (C2B adapted for e-commerce) in the following years.

KEY TAKEAWAYS

One important and fundamental factor behind the success of Swish is that the members of the Swedish Bankers' Association, despite their different DNA, size and domestic markets, successfully united under a single brand and cooperated across boundaries. There have of course been disagreements along the way, but in the end all banks set their individual corporate hats aside and came together under a shared umbrella. And this is an important lesson to carry forward into future projects.

Creating a shared brand was critical to get mass adoption, and to get developers interested in building on the platform, compared with each bank doing their own thing.

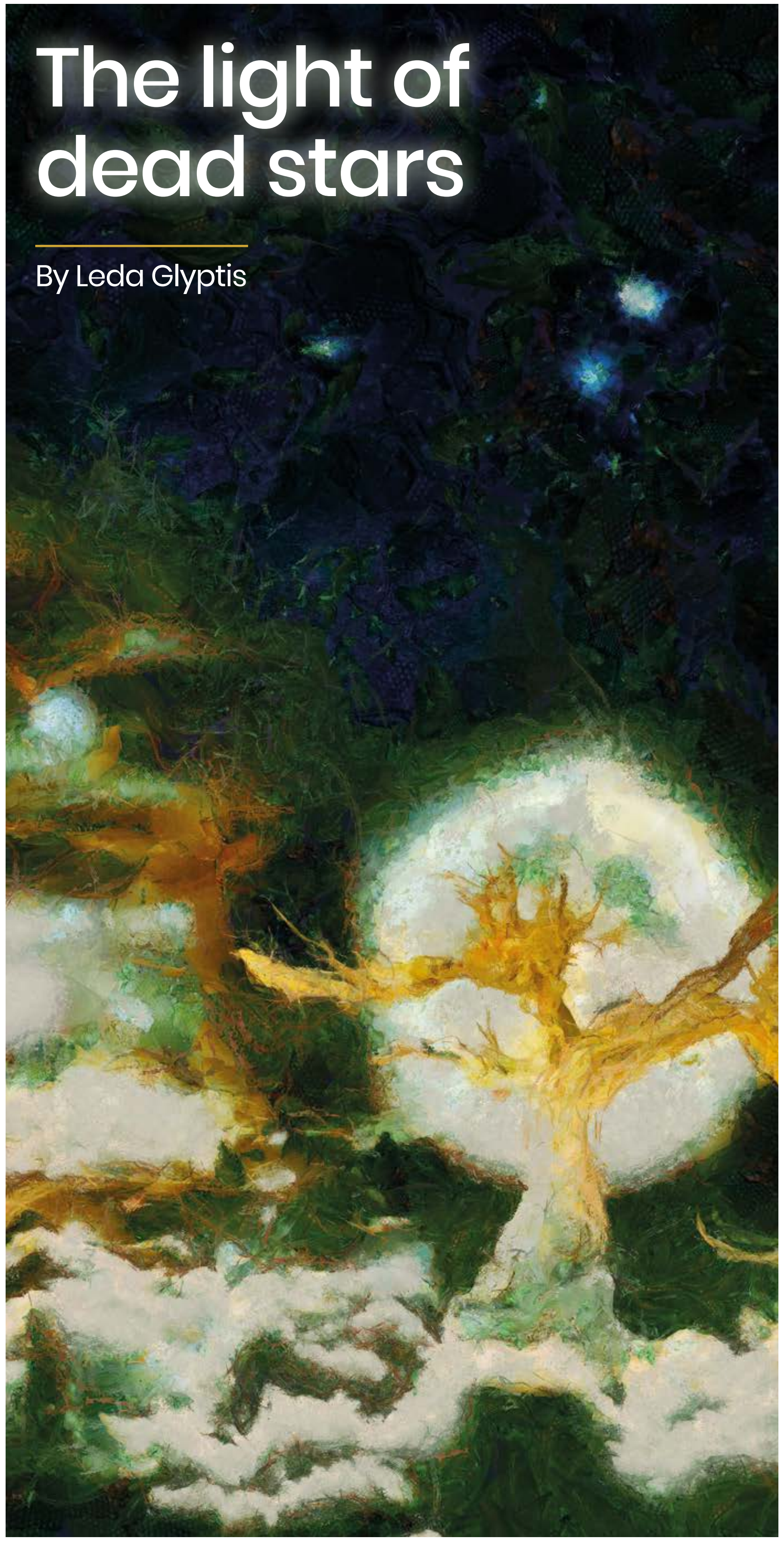
WHAT'S NEXT FOR SWISH?

The three Swish services were launched in close cooperation between the owner banks, and the company was primarily run throughout by allocating resources from the banks to several working groups. Today, Swish operates as a standalone business with its own CEO and resources to continue driving the development of Swish's infrastructure and carry both the company and the Swish products forward.

The road ahead is clear: by understanding, listening to and learning from the market, Swish will continue to develop secure and relevant services for the future.

The light of dead stars

By Leda Glyptis



If banks are struggling as much as you say they are with digital adaptability. *If* their unit economics are shot through with the strains of sunk cost and mainframe patches. *If* digital pricing is loss-making because of the combined cost of the tech estate banks still maintain… why are banks still as profitable as we know they are?

The light of dead stars looks indistinguishable to any other. But it doesn't prove the star is still thriving. Only that it once did.

Why are they not struggling more visibly where it matters most?

I get asked that a lot, you know.

Because my job is to encourage bankers to make uncomfortable changes. Changes that take people out of their comfort zones, put systems out to pasture and send things we've always known to be true to the scrap heap.

So, I get asked that a lot.

By clients and readers, prospects and audience members.

Sometimes the question is anxious. Sometimes it's angry. Mostly it's mocking. Like they caught me out. Finally busted.

But I have an answer.

And the answer, sadly for them, is always in their stars.

Stay with me here.

Part of the answer is the man who told me recently that he runs a highly profitable digital-first product and my little impassioned exposé about holistic unit economics does not apply to him because he doesn't use the mainframe as that's an IT thing. His calculations are clean of any system he isn't using, any cost he didn't incur. Mathematics be damned.

But it's not his fault.

That's how he was taught to calculate things. That's how cross-charging works. That's how we do budgets and horse-trade across cost centres. I know what he's doing. I graduated from the same school for learning how to make the numbers bow to organisational propriety ahead of basic arithmetic. Because only in corporate accounting is it OK to double-count. Only in our hallowed halls is it OK to create amortisation schedules that you then treat like real money and an OpEx bucket of cash that you treat like it's not. Only that bucket is filled with real money while amortisation scheduling isn't and yet… what do you know, it works, if only because we said it does.

Part of the answer is also that we are always a wee bit behind ourselves.

Like the impact of Covid-era economics was not felt till a good year later because during the worst of the pandemic we were spending last year's money. Like we always go on a hiring spree six months after we really needed the extra people and, by then, we over-index and by the time we need to cost-cut we go overboard with the cuts because we felt that the organisation was bloated after the over-indexing… and the merry dance starts again.

We may have leading and lagging indicators in place. Of course we do… but they are not treated the same.

Lagging indicators are always more real somehow.

It could be because sales numbers are black and white.

It could be because your CFO always conveniently forgets when looking at forecasts that the numbers should be probability-weighted… and he also forgets that he forgot, when he gets round to looking at sales figures against forecasts when the leading indicators are irrelevant because the lagging ones are in.

It could also be because lagging indicators are not as susceptible to optimism and hope.

But then we go and treat last year's lagging indicators as next year's leading indicators and the process starts again.

So part of the answer is that we were taught to do things a certain way and ingrained habits die hard, especially when we were so well rewarded for learning them.

Pavlov, meet dog.

And part of the answer is that we are always a little behind on the learning curve itself, even if we are willing and able to learn, as the data we see is on time-delay.

Three to six to 12 months after the fact, does it become proof of itself?

> "You've been trained to look at the world in a way that ensures you miss so much of what is real and only focus on what is immediately useful."
>
> **Leda Glyptis**

And is that the whole answer?

Well, no. There's a little bit more. But that last bit should not be a surprise.

The game is changing.

While we are busy assessing how we are playing it as a team (read: organisation) and how we are performing individually inside the maelstrom, trying to measure and predict and prove and foreshore and protect our place in all this… while we are busy looking decidedly inwards, the game itself is changing.

The rules are changing. What goal-scoring looks like is changing. The shape and size of the pitch and the equipment needed and what crossing the finish line looks like is changing.

So yeah, ask me again why banks are not struggling more visibly, if I am right about all the things I say I am right about.

And I will tell you… well… part of the reason you even ask is that you've been trained to look at the world in a way that ensures you miss so much of what is real and only focus on what is immediately useful. That's why I say the things I say, you see, to help change while there is still time for it.

And part of the reason is that we are a little behind ourselves.

The things we measure are always celebrated after the fact.

Deals signed years ago, clients secured years ago, bets made years ago, finally coming good.

The money is still good in your pocket. The revenue line is still delivering the goods.

How long for, though?

That's the question I am asking, you understand. Not the one I am asked.

Because money is real and last quarter's numbers are used as a leading indicator that proves the likes of me wrong, when we say the world is changing.

Not a lagging indicator of bets made long ago.

You know, when you look at the night sky, the stars you see without a telescope are possibly, *maybe* still shining bright, but the light you see left them approximately 10,000 years ago.

And in that time a lot may have happened to the star. Things that would *not* affect the light you see.

Because ultimately, to the untrained eye, the light of dead stars looks indistinguishable to any other. But no matter how real the light feels today, it doesn't prove the star is still thriving. Only that it once did.

#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.

The telco giant aiming to sparkle in fintech

By Shruti Khairnar

The fintech world has no dearth of start-ups and within it, neither does the personalised banking space. Over the years, countless start-ups have entered the customisable banking space and big banks have also embraced the idea – either through their own innovations or through partnerships.

However, it is not every day that established software players, primarily catering to other verticals, decide to foray into fintech.

Amdocs – a dominant player in the telecommunications sector – is now looking to do just that, seemingly undeterred by existing competition.

By applying the lessons learned in the telco space, Amdocs sees opportunity and claims to have developed a "winning strategy" for banks – specifically in the midmarket. The company says it has seen how transformation can go wrong and aims to leverage the decades of experience it has of working with cloud-based systems such as Azure to implement improved technology for financial institutions.

To learn more, *FinTech Futures* sat down for a chat with Zur Yahalom, SVP and head of financial services for Amdocs in the Americas, to discuss the company's rationale behind pursuing fintech, what differentiates the company from others in the space and what it aims to achieve.

FROM TELCO TO FINTECH

Yahalom says internal discussions about the business and its future led the executives at Amdocs to believe the time was ripe to diversify.

"Amdocs is still a big name and telco is definitely the core of the company and where we grew from," he says. However, one thing was for sure: telco as an industry was not growing as fast as it was a decade ago.

In a bid to continue and sustain Amdocs' growth, a strategic analysis was initiated a few years ago to investigate ways in which the firm could take its business further. The conclusion was that a lot of the assets Amdocs built in the telco space would be applicable in financial services.

"And so we made the decision to expand the business to financial services – not instead of telco, but on top of telco," says Yahalom.

PRODUCT OFFERINGS

At its core, Amdocs offers a set of products and services with the aim to help large, regulated enterprises with their digital journey and digital customer experiences.

Amdocs says it can help organisations design how they engage with their customers through research and understanding what customers are looking for. This is followed by implementation of the design – be it on a mobile app or website – all the way through to the cloud infrastructure.

"This is what we've been doing for the past decades in the telco industry very successfully. And not just in telco, but with a lot of large enterprises," Yahalom says.

In terms of key products Amdocs brings into the mix, Yahalom highlights product management and pricing and billing. He says the company can help firms personalise offers to specific customers and bundle different products together and present them "to the right customer at the right time".

Some clients from the finserv space already utilising the company's offerings include ABN Amro in the Netherlands and Bank Hapoalim, Israel's largest bank.

ABN Amro, which has been an Amdocs customer for a few years, utilises its billing and pricing platform, offering fee management and fee calculation to its customers.

Bank Hapoalim, a more recent client, deployed its product and pricing platform to package its offerings and launch new products and services for customers with a faster time-to-market.

Another customer is UnionDigital Bank in the Philippines, which opted for Amdocs' service expertise in designing and building its cloud infrastructure.

A NEW PLAYER WITH DECADES OF EXPERIENCE

"Even though we're an established company, we're fairly unknown in the financial services industry," Yahalom admits. "I would say the number one challenge for us is to build a reputation, a bit of brand recognition, and make sure that people are aware of the capabilities that we can bring."

Yahalom stresses that Amdocs plans to capitalise on personalisation – both of product offerings and customer interactions.

"A lot of banks, to a large extent, still offer the same few products to all of their customers," he says.

"We think personalisation of offers and interactions is a domain with great opportunity across the industry, and so we're looking to be one of the leaders in helping financial services institutions in moving to that stage in their evolution."

For a company as big as Amdocs, which reported revenue of $4.58 billion over 2022, moving into financial services surely should be easy through potential M&A activity.

On posing this point to Yahalom, he says: "If you look at the history books, Amdocs acquires a few companies per year. As a large company, we're constantly looking at the market for opportunities to expand our offering and our brand recognition through acquisitions."

FinTech Futures also understands that Amdocs is looking at potential acquisitions in the core banking space.

"I can't comment on anything specific, but it is definitely something we're exploring on an ongoing basis," Yahalom says.

ON BEATING THE COMPETITION

When it comes to personalisation and customisation, there are several start-ups offering similar propositions to financial services firms already. How does Amdocs aim to compete in an arena that's becoming increasingly crowded?

"We're aware of a lot of start-ups in the personalisation space," Yahalom says. "But we also believe that we bring a very scalable, field-proven technology that we've used with some of the largest telecommunication companies in the world."

Having worked with such large-scale companies, a lot of which boast more than 100 million customers, Amdocs is confident in what it's bringing to the market.

"This technology that we bring is very scalable, very proven. We've got the experience and expertise beyond many of the start-ups that we see."

Yahalom illustrates with an example – the concept of "family-first banking" – which it is now marketing to clients.

He says the concept revolves around supporting banking customers within a family structure, as opposed to just looking at them as individuals.

"And a lot of it has to do with how you bring kids into the banking world at the right time," he says.

Yahalom adds that if a bank does not proactively bring children into the banking world, "they will find other avenues they get their financial education through", be it TikTok or neo financial service providers.

"By the time they've done that, it will be very challenging for the classic banks to attract them as customers, which is why we think this is a major opportunity to serve families and get younger generations into the banking world proactively," says Yahalom.

As a similar use case, Yahalom also highlights supporting the elder generation with the management of their financial situations as another market opportunity.

In terms of takers of this offering, Amdocs is currently working with an undisclosed bank in Europe on the implementation of this concept and is "actively discussing" it with multiple others.

As Amdocs eyes a global fintech offering, it remains to be seen how far it can go to fulfil its ambitions of becoming a major partner for banks and financial institutions in the future.

"The technology that we bring is very scalable, very proven. We've got the experience and expertise beyond many of the start-ups that we see."

Zur Yahalom, Amdocs

It's time to show the love for DEI

By Theodora Lau, founder, Unconventional Ventures

Seeing a recent picture of tech executives making volunteer AI safety and transparency pledges at the White House made me pause for a moment.

Not just because they are making 'voluntary commitments', which we all know are nothing but words and will evaporate into thin air as soon as they collide with the ability to drive profits. But more so because that picture demonstrates the exact challenge that we have in society today: a team of all-male leaders at the decision-making table.

For a technology development as profound and crucial to our world as artificial intelligence that has the potential to impact all humankind and all industries, I can't help but wonder, where are the women?

WHEN THE MUSIC STOPS

It wasn't that long ago that companies from Wall Street to Main Street were pledging to do more to improve diversity in the workplace through a dizzying array of diversity, equity and inclusion (DEI) programmes.

Over time, we saw more diverse faces on company brochures and videos, along with events to elevate their messaging during Women's History Month, AAPI Month, Pride Month, Black History Month, Jewish American Heritage Month, Hispanic Heritage Month, Native American Heritage Month, Disability Awareness Month, and so on.

But as we find out time and time again, change takes time. And sometimes we may end up taking a few more steps backwards before moving forward. As economic challenges continue, commitments waver and diversity-focused roles along with new hires from underrepresented backgrounds begin to disappear.

Recently, the US Supreme Court voted six to three to reject *affirmative action* programmes at Harvard and the University of North Carolina, overturning cases going as far back as 45 years.

But the implications go way beyond education. While the ruling is on universities that receive federal funding only, corporations across the US are already assessing the ramifications on their hiring practices and policies, especially those that aim to improve diversity and pay equity as a way to counter systemic and historical bias.

Shortly after the ruling, 13 state attorney generals from Republican states issued a warning to Fortune 100 companies advising that they might be engaging in illegal racial discrimination due to DEI hiring practices.

LIPSTICK ON A PIG

It is equally troubling to see recent headlines describing the 'rise and fall' of the chief diversity officer (CDO). Are they failing? Or were they never set up to succeed to begin with?

This begs the question: are CDOs effective means of bringing inclusive practices and cultures to organisations? Or are they just lipstick on a pig? When the responsibility of such drastic cultural change rests upon the shoulders of *one* person in the entire company (and someone without P&L responsibilities), should we even be surprised with the outcomes?

News flash: DEI officials are not magicians. Are there better ways of nurturing and bringing diverse talents up through the ranks?

DÉJÀ VU

While there are now more female chief executives in the US and the UK compared with five years ago, the representation is still minimal. Women only account for 8% of CEOs in both the S&P 500 and FTSE 350. Most women in senior roles tend to be in non-P&L positions in human resources, public relations and marketing, rather than those that would typically lead to CEO positions.

Not to mention the gendered age biases that are still alive and well. While work and life experience are often considered an asset for men – hence the 'prime working age' – the same cannot be said for women. In fact, according to a recent study, such a mythical age does not exist for professional women. You are either considered too young or too old. And never *good enough*.

Sadly, the story sounds familiar, doesn't it?

AWARENESS. INTENTION. ACTION.

I do wish I have a better story to tell – or that I have one of those five-step action plans that claim to guarantee success.

But I don't.

What I do know is this: change is a long journey. Being aware of the need to change is merely the first step and the easiest one. Intention to change is the next step and it takes courage and time.

But the hardest part of all is to act: to influence and truly transform and inspire those around you. And in the workplace, this can only be successful if there is ample support and intention across the whole company to make it work. It takes investment in resources, change in mindset and unwavering support from all levels.

To truly transform is to have the values infused in the DNA of the company.

True inclusion takes intention and action. It's not something you happen to do because it is the right flavour of the month. And it is more important now than ever to speak up and double down before we lose the progress and the little gain that we have made.

Do your teams truly reflect the demographics of the world that we live in, and the customers that you serve? Or to put it more cynically, are you checking the right box?

FINTECH FUNDING ROUND-UP

Moove, which calls itself the "world's first mobility fintech", has raised a total of **$76 million** in fresh funding in a bid to expand globally and reach profitability by its year end.

Of the total new funding, $28 million is in equity from new and existing investors, led by Mubadala; $10 million is in venture debt from funds and accounts managed by BlackRock; and $38 million is from a previously undisclosed fundraise held within the last year.

This brings Moove's total funding to date to more than $335 million across equity and debt.

Founded in 2020 in Nigeria, Moove started with the aim of addressing the lack of vehicle financing for African mobility entrepreneurs. Today, it operates in 13 markets across Africa, the Middle East, Europe and Asia.

The fintech embeds its alternative credit scoring technology onto ride-hailing, mass transit, logistics and instant delivery platforms, and uses performance and revenue analytics to underwrite customers that were previously excluded from gaining access to financial services.

Singapore-headquartered digital wealth platform **Endowus** has raised **$35 million** in its latest funding round, with participation from existing investors including UBS Next, Singapore's EDBI, Naspers-owned Prosus Ventures, Lightspeed Venture Partners and Singtel Innov8, as well as the company's employees.

Citi Ventures and MUFG Innovation Partners were also active in the round as new investors, alongside contributions from four of Asia's wealthiest family offices.

According to its financial results, its group assets have now exceeded $5 billion.

US climate tech start-up **Persefoni**, which offers a climate management and accounting platform (CMAP) for financial institutions and other businesses, has secured **$50 million** in a Series C-1 funding round.

Based out of Tempe, Arizona, Persefoni is also leveraging its latest round of funding to launch PersefoniGPT, a new AI tool that combines the capabilities of generative AI with ESG corporate responsibilities.

Led by TPG Rise, a climate investor with a focus on companies that can "enable carbon aversion in a quantifiable way", the funding round also saw participation from Alumni Ventures, Bain & Co., Clearvision Ventures, EDF, ENEOS Innovation Partners, NGP Energy Technology Partners, Parkway Ventures, Prelude Ventures and Rice Investment Group.

Persefoni last raised $101 million in its Series B in 2021.

Debt collection Software-as-a-Service (SaaS) platform **Credgenics** has secured **$50 million** in a Series B funding round at a valuation of $340 million.

The round was led by Westbridge Capital, Accel, Tanglin Ventures, Beams Fintech Fund and other strategic investors.

Launched in 2019, Credgenics operates in India and has expanded into Southeast Asia. Its platform offers debt resolution solutions including digital collections, collections analytics, litigation management, field collections mobile app, agent performance management and an AI and machine learning-led payments platform.

Credgenics says it counts more than 100 private banks, fintechs, non-bank financial companies and asset reconstruction companies as clients. Since its last fundraise in 2021, when it raised $25 million in a Series A round, Credgenics claims to have achieved 7x growth in revenue and become operationally profitable.

South Korean fintech **Finda**, which operates a loan comparison platform, has secured **$37 million (KRW 47 billion)** in Series C funding from JB Financial Group and 500 Global.

JB Financial Group took part in the round as a strategic investor, acquiring a 15% stake in Finda.

Founded in 2015, Seoul-headquartered Finda calls itself one of the top three companies in the country in the loan comparison platform market, alongside Toss and Kakao Pay. It claims to have brokered loans worth KRW 4 trillion last year alone.

With the new funds, Finda hopes to advance its platform with the addition of new product offerings such as mortgage loan repayment, deposit and insurance comparison, and brokerage services.

It also aims to establish an artificial intelligence fraud transaction detection system (AI-FDS) and a specialised alternative credit rating model.

Hong Kong-based start-up **Micro Connect** has secured **$458 million** in a Series C funding round, valuing the fintech at $1.7 billion and making it Hong Kong's latest unicorn.

The Series C saw participation from new investor Baillie Gifford, Forbes Asia reports, as well as from Sequoia China, Lenovo Capital, Vectr Fintech and Dara Holdings.

The start-up is also backed by Li Ka-shing, a billionaire based in Hong Kong, and entrepreneur Adrian Cheng.

Founded in 2021, Micro Connect operates a financial market platform that connects China's micro and small businesses with global capital through a revenue sharing investment and financing model. The start-up last raised $70 million in a Series B funding round in March last year.

Micro Connect Macao Financial Assets Exchange (MCEX) is the company's licensed global exchange for Daily Revenue Obligations (DROs) and related products, which is slated to launch in H2 2023. Micro Connect says it aims to develop the world's largest financial market for micro and small business investing.

New US-based fintech start-up **Croissant** has launched with **$24 million** in seed funding from a number of investors, including Portage, KKR and Croissant's co-founders.

Other investors in Croissant include Third Prime, BoxGroup, 25madison and Twelve Below.

Croissant has been built to cater to the commerce sector, with its platform able to integrate into merchants' existing shopping experiences to offer customers a guaranteed buyback value at checkout.

The platform utilises data science and AI tools to generate buyback values, with Croissant fulfiling the guarantees.

After a purchase is completed, the goods become liquid assets within customers' Croissant accounts, which can then be sold later in exchange for new funds which the customers can then use with the merchant for future purchases.

Miami, Florida-headquartered insurtech **Lula** has closed its Series B funding round at **$35.5 million**.

Led by NextView Ventures and Khosla Ventures, the round saw additional participation from Founders Fund, Plug and Play Ventures, Financial Technology Partners' founder and managing partner, Steve McLaughlin, along with Steve Pagliuca, co-chair of Bain Capital and co-owner of the Boston Celtics.

Founded in 2020, Lula currently supports the trucking and auto industries with API-based tools for risk, claims and policy management, and access to insurance coverage through its insurance platform. It now plans to branch out into other industries.

It has grown from 99 business customers in early 2022 to nearly 4,000 companies today, with its monthly revenue multiplying 20 times during this period.

Partnered with insurance providers, it offers the infrastructure required by these industries to manage insurance-related operations, extending to customer vetting, fraud detection, driver history checks, policy management and claims handling.

Lula previously raised $18 million in its Series A in 2021.

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!

MOVERS AND SHAKERS


Carina Kozole

German digital bank **N26** has named **Carina Kozole** as its new chief risk officer (CRO) and managing director of N26 AG.

Kozole will take over the role from Jan Stechele, who has served as CRO in an interim capacity since April 2023 following the departure of the company's previous chief risk and banking officer, Thomas Grosse.

Kozole, who will officially begin her new role later this year, has spent the last 17 years at UniCredit Group, where she has held a number of senior positions, most recently serving as senior vice president and head of credit risk operations (Europe, Americas, Asia) of HypoVereinsbank – UniCredit Bank AG in Germany.

The appointment follows reports that Germany's financial regulator, BaFin, is extending measures put in place at N26 to tackle money laundering.

London Stock Exchange Group (LSEG) has named Goldman Sachs alumni **Irfan Hussain** as its new chief information officer (CIO). Hussain will start in early 2024, moving from US bank Goldman Sachs, where he has worked since 1995 and currently serves as partner and chief operating and strategy officer for engineering following a promotion in 2014.

Prior to this, he held the position of CIO for consumer and wealth management at the bank, in addition to various other positions within its global banking, markets and assets and wealth management divisions in New York, Tokyo and Hong Kong.

Hussain succeeds Tony McCarthy at LSEG, who is retiring.

UK-based paytech **GoCardless** has named **Franck Cohen** as its first chairman of the board.

Cohen brings more than 25 years of technology and software experience to his new role, having previously served as president of digital core and industry solutions and global chief customer officer at SAP, where he spent over a decade in various senior positions.

He also serves as chairman of the board at Israeli cybersecurity firm CYE and acts an advisor for multiple start-ups and tech firms including Workday and UIPath.

Hiroki Takeuchi, co-founder and CEO at GoCardless, says Cohen's appointment will bring "focus" to the leadership team, as well as the ability to make "fast and effective decisions".

GoCardless recently layed off 15% of its workforce in the UK, US, Australia and New Zealand – or about 135 roles – and reduced the size of its senior leadership team by 25%.

Stax Payments has appointed seasoned payments executive **Paulette Rowe** as its new CEO.

Rowe takes over the role from John Kristel, who was named interim CEO in January. Kristel will support the transition while resuming his role as operating partner with Greater Sum Ventures, a control investor in Stax Payments.

Rowe was previously CEO of Paysafe's integrated and e-commerce solutions division. She also held senior roles at Barclays, Meta, Royal Bank of Scotland/NatWest and GE Capital during her 20+ year career across banking, payments and fintech.

Founded in 2014 and based in Florida, US, Stax Payments offers an all-in-one payments API to businesses. It claims to have processed more than $30 billion in transactions. Last year, it raised $245 million in a Series D funding round at a valuation of up to $1 billion.

US-based financial services and consumer lending firm **Rocket Companies** – which comprises Rocket Mortgage, Rocket Homes, Rocket Loans and Rocket Money – has announced **Varun Krishna** as its incoming CEO.

Krishna moves from fintech firm Intuit, where he has served as EVP and GM of its consumer group since May 2022. Prior to this, Krishna also managed PayPal's global consumer product team for a year and a half.

Bob Walters, the current CEO of Rocket Mortgage and president and COO of Rocket Companies, is retiring after 27 years with the company. Bill Emerson, the current interim group CEO, will become president and COO for Rocket Companies.

Thredd, formerly known as Global Processing Services (GPS), has appointed **Ava Kelly** as its new chief product officer (CPO).

Based in the US, Kelly brings more than 25 years of payments industry experience to her new role. She joins from i2c, a banking and payments platform, where she also served as CPO.

Prior to that, she spent nearly eight years at Visa in various senior roles, delivering products including the US Visa Signature premium product platform and leading the platform's global strategy with market launches in Asia Pacific, North America and the Middle East. Kelly also previously spent around eight years working at American Express.

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

LIGHT AT THE END OF THE TUNNEL

Cartoon by Ian Foley

This issue's cartoon illustrates how the crypto community is starting to believe that we are at the beginning of another bull market.

A series of crypto-related bankruptcies starting in the middle of last year (peaking with the collapse of FTX) and a 60% collapse in the total market value has resulted in investors and industry talent losing faith in crypto markets.

As recently as this April, on the All-In Podcast, tech booster and investor Chamath Palihapitiya – who previously claimed Bitcoin has replaced gold – said: "Crypto is dead in America."

However, this narrative never really differentiated between crypto and blockchain tech and how institutions have all this time been quietly adopting blockchain technology.

Furthermore, while decentralised finance might be viewed as a 'nice to have' in the developed world, for emerging markets, blockchain technology is the affordable infrastructure to provide access to basic financial products (e.g., a bank account and saving and lending products).

Meanwhile, in the last couple of months, there have been a string of positive developments with the allowance of crypto trading in Hong Kong in June, the SEC accepting Blackrock's submission of its Bitcoin ETF and the broader industry implications of the judicial ruling that XRP is not a security in the SEC's case against Ripple.

With all this positive news, there is optimism back in the air in the crypto and blockchain community.

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ISSN 0266-0865