THE FINTECHTIMES.COM

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THE FINTECH TIMES

THE WORLD'S FINTECH NEWSPAPER

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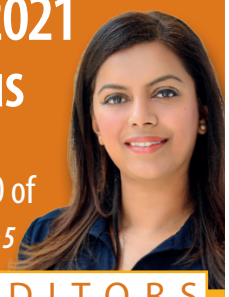

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THE FINTECH TIMES

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WELCOMING A WORLD OF CONVERGENCE

As the financial services industry continues to deal with the upheaval of the coronavirus pandemic, the focus is firmly placed on how quickly organisations respond to market challenges and opportunities.

In this issue of *The Fintech Times*, two exceptional guest editors guide us through the importance of digital transformation and effective partnerships.

Jim Marous, one of the minds behind *The Financial Brand* – a leading website for senior-level executives in the banking industry – is at the forefront of tech in finance and an expert in digital transformation.

Devie Mohan, co-founder and CEO of fintech research company Burnmark, is an influential writer, speaker and commentator on fintech.

Firstly, on page 4 Jim will introduce you to the importance of digital transformation and how it can be a competitive advantage to reach customers and maintain operational resilience.

Of course, the need to move to a more digital banking model has been talked about for many years, but Covid-19 has made the need for reduced operational costs and improved digital experiences more important than ever.

Financial institutions of all sizes must reassess their existing business models, core systems structure, distribution networks, commitment to innovation and product assortment for a marketplace with more demanding consumers, more agile competition and shareholders who are looking for greater efficiencies.

The value of establishing the right strategic partnerships has never been greater. Accelerating partnerships with fintechs and other ecosystem players can significantly speed up the digitalisation of processes.

Devie Mohan has worked tirelessly to provide our audience with a view on how different organisations – banks, fintechs and supervisors – look at partnerships and collaboration at a practical level. The partnership model extends from open banking to payments to lending to banking transformation projects, and this edition will hopefully open up a window into existing models.

> Covid-19 has made the need for reduced operational costs and improved digital experiences more important than ever

Devie has turned to Fidelity Bank, one of the largest banks in Ghana and an excellent example of digital banking transformation in an emerging market, for more insight. Fidelity Bank has recently announced a swathe of partnerships, a push towards contactless as a Covid-19 response and large-scale transformations across products and partnerships. Julian Opuni, the MD of Fidelity Bank Ghana, talks about the bank's digital transformation plans on page 12.

Through Devie's connections to Starling Bank, we learn more about Starling Marketplace as a fascinating use case of a challenger bank using partnerships to establish a fintech ecosystem. Starling Bank was the only challenger bank in the UK to record more app downloads than the year before in April 2020, and Devie believes that it had a lot to do with the strategic push towards partnering with external companies through the Marketplace – now featuring 27 different providers (page 9).

While we tend to speak of collaboration in the fintech ecosystem mostly in terms of banks and fintechs, supervisors and central banks have a large role in improving partnership models in the fintech ecosystem.

On page 30, Aleksi Grym, head of digitalisation at the Bank of Finland, outlines his thoughts to Devie on the future of suptech and regtech and how Bank of Finland is viewing transformation through partnerships.

Regulatory technology (regtech) is one of the fastest growing segments around the world and it's always fascinating to research the trends in the space. Devie's research startup, Burnmark, recently published a co-authored report with CUBE that looked at some of the challenges in the regulatory change management space, with several aspects of complexity, regulatory pressure and high costs coming out as major reasons for regulatory change in banks.

In this issue we hear from Ben Richmond, the CEO of global regtech provider CUBE, on how he views regulatory intelligence as a solution to some of these challenges.

We hope you enjoy these articles, and others in this compelling issue, as much as us! TFT

Jim Marous & Devie Mohan

Reimagining digital transformation

The coronavirus pandemic has been a defining moment for digital transformation. Financial institutions that invested in digital over the past several years were more prepared to respond to the crisis. For those organisations that had not invested in digital transformation, the crisis exposed gaps in capabilities.

Over the past several years, the financial services industry began understanding the importance of digital transformation, as consumer expectations around digital engagement changed, competition from new digital-first organisations increased and the use of modern technologies became more commonplace. Despite knowing the need to move forward as more digitally adept organisations, most financial institutions still hesitated to invest in improved data management, analytics, modern technology, innovation and updated systems.

As Covid-19 took hold, comfort levels and willingness to engage digitally increased across all consumer segments and within all industries. The urgency for improved digital solutions forced organisations of all sizes to quickly implement digital transformation initiatives.

In research recently conducted by the *Digital Banking Report*, it was found that success with digital transformation initiatives has been hard to achieve. While organisations have moved forward with many strategies to improve digital engagement, most believe they have fallen further behind what the marketplace expects.

Importance high for majority of strategies

When financial institution executives were asked about the importance of alternative digital transformation strategies, improving the overall customer experience was considered to be of high or very high importance by 88 per cent of organisations. The importance of improving the customer experience was followed closely by the need to improve the use of data, Artificial intelligence and advanced analytics. Illustrating the perceived broad scope of digital transformation initiatives at most financial institutions, the majority of the other possible digital transformation strategies were each rated almost identically by financial institution executives in the research. Innovation agility, improving marketing and sales, improved efficiency, improved risk management and reducing costs were each rated high or very high by roughly six in ten executives.

It is a bit concerning that the need to change the existing business model and transforming legacy core systems were considered the least important strategies despite research that indicates these strategies are of significant importance for transformation success.

Progress seen in deployment

When asked about the progress of digital transformation efforts, only 17 per cent of organisations surveyed indicated that the transformation was 'deployed at scale', which was the same level as in 2019 research by the *Digital Banking Report*. The good news is that 62 per cent of organisations surveyed indicated that digital transformation was 'partially deployed' compared to only 41 per cent last year. An additional 20 per cent indicated that their efforts either had 'limited deployment' (12 per cent) or were in the design phase (8 per cent) compared to 27 per cent and 11 per cent respectively in 2019.

As was the case in 2019, the research found that there is a very strong correlation between 'innovation pioneers' and those firms where transformation was 'deployed at scale'. This finding underscores that organisations where innovation is a priority are further ahead of peers in the desire to become a 'digital bank'. These leader organisations also had top management support, were more committed to investing in the customer experience and advanced analytics, and were more likely to measure results of their efforts. Not surprisingly, these firms had more positive financial results than firms where digital transformation was only partially deployed.

Jim Marous, Co-Publisher of The Financial Brand & Owner/CEO of the Digital Banking Report

The Covid-19 pandemic has increased the urgency around digital banking transformation

Success still lacking

It is clear that financial institutions understand the important components of successful digital banking transformation. From improving the customer experience to using data and advanced analytics for improved personalisation, organisations are not lacking in the knowledge needed to know where to focus efforts.

Unfortunately, when organisations were asked about the success of their digital transformation strategies in meeting key objectives, results were far from encouraging. Potentially reflecting the reality that more than six in 10 institutions surveyed indicated that digital transformation efforts were only partially deployed, no digital transformation strategy had even half the organisations indicating that a strategy had high or very high success. Even then, the highest rated strategy was in risk and security – important, yet not consumer facing.

Of significant concern should be the finding that the lowest levels of success were found in the strategies of transforming legacy systems (23 per cent high or very high success rating), enhancing innovation (22 per cent high or very high rating), and improving the use of data and advanced analytics (17 per cent high or very high rating). In fact, 44 per cent of institutions stated that success in using data and analytics was low or very low.

Top challenges

The top three challenge that banks and credit unions face in their digital banking transformation journeys are the time and cost of implementation (71 per cent), systems integration (66 per cent) and legacy technology (62 per cent). These overarching issues were the top three challenges mentioned in the 2019 research, with legacy technology and systems integration both dropping by 10 per cent in the number of organisations stating these were significant challenges.

The fourth most-cited challenge was budget constraints this year (58 per cent) which was a similar level in 2019. The majority of the rest of the challenges had lower levels compared to 2019, with the challenges of culture and skills each dropping the most compared to last year (11 per cent and eight per cent respectively) .

While this is encouraging, other research by the Digital Banking Report indicates that legacy cultures still must undergo a significant evolution to facilitate the digital transformation underway. While budgets are still very much in a state of flux for next year, the funding of digital transformation efforts must keep pace with needs. This is illustrated by the fact that budget constraints were mentioned by close to six out of 10 organisations.

While progress seems to be occurring with the development of talent and skills throughout the organisation, this is still a major challenge to digital transformation. This relates not just to specific capabilities, but also to the need for leaders who better understand how to integrate new digital methods and processes into existing ways of working. It is expected that this challenge will only get greater in the future due to the lack of experience in the marketplace. As organisations take stock in the challenges faced with digital transformation, this list can provide guidance as to where emphasis should be placed.

Will COVID inhibit or enhance digital transformation?

The impact of Covid-19 could easily stall digital transformation if budgets are cut or skilled individuals are laid off due to financial challenges. However, the pandemic could also unlock hidden potential if commitment from top management is increased due to the realisation that digital transformation is a competitive advantage to reach customers and maintain operational resilience. The pandemic has unlocked the potential to accelerate partnership discussions with fintechs and other ecosystem players. The questions will be whether organisations can maintain the focus that the pandemic put on digital transformation and whether changes made will be permanent once the urgency of the current health crisis subsides. TFT

About Jim Marous

A leading fintech influencer, Jim Marous is co-publisher of *The Financial Brand*, and owner and publisher of the *Digital Banking Report*. He has also advised the White House on banking policy and is a regular contributor and guest host for the *Breaking Banks* radio show.

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Effective partnerships in fintech and what will 2021 bring us?

***Devie Mohan**, Co-founder and CEO of Burnmark discusses the importance of collaboration as different industries come together to solve problems with technology*

So, 2020 has been an interesting year for fintech, with an unexpected push for digital coming in the form of a global pandemic. The emergence of the fintech industry, and its eventual maturity, has been a fascinating event for observers and researchers globally.

It was an opportunity to watch a new industry develop and scale in its entirety over a lifespan and test our knowledge of financial and consumer lifecycles in the process. Despite its parallels to the dotcom boom, the fintech industry has exhibited a more consistent, focused growth with a flatter curve, and with more impact on the existing traditional firms, blending in effectively.

The first phase of fintech was all about disintermediation, disruption and competition. It was about niche players within payments and lending, primarily, that sought to change the existing financial value chain. Players like Square, Stripe, SoFi and Kabbage managed to prove how much a disintermediated value chain can help add value through better efficiencies, a captive customer base and lower costs. They were all niche players focusing heavily on a segment and offering, through innovation, a new and improved set of products and services.

The second phase of fintech, I believe, started in 2016 when fintechs proved that collaborative models can co-exist successfully with competitive models. I wrote about early models in collaboration in 2016 where the most popular means of collaboration was still observation. Banks around the world were launching accelerator programs, innovation communities and hackathons to identify and be part of the next best startup.

What was quite different about the second phase of fintech was the fact that there was less conversation about taking customers away from banks and into fintechs, and more on how to bring the mass market into the fintech ecosystem by bridging large financial institutions and startups. Along with the new customer base of millennials that the startups successfully cultivated, banks also tapped into their existing digital-friendly customer base to offer new products and service channels like chatbots. Customer acquisition and deep regulatory knowledge started becoming bottlenecks for the startups' innovation and product development focus, and they were only too happy to outsource this back to the partners – especially banks.

Central to this has been the ability of fintechs to unbundle many traditional banking services that revolve around improved customer services and experiences. It was only natural that banks sought to learn from these customer-centric models developed by fintechs and began integrating those capabilities into their existing systems (or replacing legacy systems with the help of the fintechs themselves).

As we began 2020, with large deals and partnerships between banks, fintechs, BigTechs and supervisors on a daily basis, I believed we were seeing the beginnings of the third phase of fintech. There was very little conversation on competition and 'destroying' banks any more. Banks have come a long way from the observation model they adopted in phase two – we have seen several banks launching their own challenger banks just in the last year. All the observed lessons are now being put into practice. We saw the collaborative ecosystem widen to include BigTechs, wealth management houses, regulators, research organisations, aid agencies, mayoral offices, universities and media organisations. The most prominent defining factor of this phase is this wider ecosystem. There is also a heavy focus on skills and ensuring there is sufficient training, content and recorded case studies for academic as well as practical purposes. The funding rounds have changed beyond recognition as well – we now have more than 20 fintechs that are unicorns and funding rounds and acquisitions now frequently exceed $500 million. Despite the slowing down of the global economy in 2020, the third phase of fintech is expected to take up momentum in the next couple of years. There are a few 2020 trends that, I believe, would be drivers for fintech in 2021.

Digital payments and inclusion

In the push towards cashless that we observed throughout 2020, there have been an unprecedented level of partnerships emerging in the digital payments segment. There have been new partnerships launched between card players and fintechs. Mastercard with B2B fintech ANNA Money, American Express' acquisition of US lender Kabbage and Visa's partnership with platform provider Pi1 have all been interesting examples of the industry heading towards a cashless society.

Going cashless is not without its problems, and it's important to ensure that all parts of society, with different age groups, genders and digital behaviour, are brought along in this transformation. This has led to a high improvement in digital financial inclusion, with several governments taking up inclusion using fintech as a key topic. In March 2020, the Central Bank of Jordan announced the launch of its regulatory sandbox in the 'Fintech in Covid-19 and beyond' initiative. The idea was to increase the effectiveness and efficiency of digital financial services by widening the choices for consumers; using services to increase financial inclusion; attract new investment; and create jobs. In June 2020, Ghana became one of the first countries to launch a digital finance policy. The aim was to drive further growth in fintech to support efforts to improve financial access. Both policies were launched during the pandemic, which provided an additional incentive to realise many of the objectives as soon as possible.

BigTechs

At the end of 2019, we saw a massive trend emerging around BigTechs and their desire to find a foothold in fintech. This continued into 2020, with partnerships emerging between banks and BigTechs. Google has formed partnerships with eight US banks, with a view to using consolidated data to drive consumer insights. While, Amazon and Apple formed partnerships with Goldman Sachs (for small business lending and payment cards, respectively).

BigTechs continue to have a massive advantage on data and using personalised data to drive consumer behaviour. Alipay's medicine sourcing initiative, Gojek, supports small businesses going digital and the Apple-Google partnership, with its public health APIs, have all supported the efforts around the pandemic while also growing their own ecosystem.

Deals and acquisitions

Fintech funding saw a rebound in the second quarter of 2020 but deal activity has continued to fall, so far. Lending Club became the first fintech to buy a US regulated bank and other deals involving payments and online trading companies show the importance of a joint go-to-market approach. We saw one of the most talked about deals in the open banking space with Visa's acquisition of Plaid, just before Covid-19 hit the markets. January to April saw five $1 billion+ deals in fintech, but we have unfortunately lost that momentum since. One of the few fintech hubs to see funding stability in the first half of 2020 is Singapore. Regtech startups in Singapore showed a 200 per cent increase in deals since 2017. While insurtech and wealthtech consumer fintech deals reduced worldwide in this period, B2B fintechs have all shown stability in funding and growth in 2020.

Supervisory initiatives

2021 will continue to be a year of sandboxes and regulatory collaboration with fintechs and suptechs for supervisory initiatives. Digital sandboxes are already launching globally and the FCA is continuing to pioneer use cases for these fully virtual regulatory sandboxes. Saudi Arabia and Bahrain have continued to support their fast-growing fintech ecosystem with supervisory initiatives and sandboxes, while Malaysia, Mexico and Costa Rica are new countries to launch their own sandboxes in the past few weeks.

Convergence

One of the most fascinating destinations for the partnership trends in fintech would be a world of convergence where different industries come together to solve common use cases with technology. We have already seen this commence in the pandemic, where fintech, healthtech and insurtech have seamlessly come together to solve common issues. Artificial intelligence, machine learning and distributed ledgers are perfect platforms to base this cross-industry collaboration on, and we are at a stage where the technologies are mature enough and data wide enough to make collaboration happen across various industries. TFT

About Devie Mohan

Devie is a fintech industry advisor and analyst and co-founder and CEO of Burnmark, a fintech research company. She contributes to the ING group Think Forward Initiative and sits on the editorial board for the *Journal of Digital Banking*.

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#Womenincrypto

*With the goal of inspiring women across the globe to try their hand at crypto, payments platform **Wirex** has launched the 'Women in Crypto' campaign in partnership with **The Fintech Times***

While the crypto world has been male-dominated since its inception, a group of female employees at Wirex saw an opportunity to not only recognise and showcase the incredible existing community of women that lie at the heart of crypto, but also to debunk gender-related stereotypes associated with working in the industry.

The women of Wirex want to spearhead their 'Women in Crypto' campaign through a series of initiatives, kicking off with the 'Rising Women in Crypto Power List' that invites nominations from those that have incredible achievements, influence and potential in the crypto community. The list focuses specifically on those in the crypto space and aims to showcase a range of women working in and using crypto in a variety of ways, including those that might be the unsung heroes of this space. We hope that giving a platform to recognise some of these incredible individuals through the Power List, along with some of our own stories, will inspire women, young and old, around the world to explore the world of crypto and the opportunities within. Entries for the campaign closed on 30 September, with the longlist announced on 5 October and the winners on 2 November.

Visit **www.wirex app.com/blog/category/women-in-crypto-2020-0009** for more information and to see the incredible women selected for the longlist.

MEET OUR JUDGES

There has been an overwhelming response from the crypto community already. With more than 250 nominations to the Power List, these will be analysed by a group of hand-selected judges and experts in their field, representing a range of disciplines and backgrounds.

One of the biggest supporters of our campaign, and the first selected for our judging panel, was **Dr. Ruth Wandhöfer.** Not only does she have a wealth of experience, but she's also been on the other side of a Power List like this. She was selected as a Fintech Global 50 Influencer herself! Next, **George Coxon**, COO of the Nano Foundation and someone that's worked closely with Wirex in the past. George is making waves in the blockchain space and democraticising access to crypto.

> The women of Wirex want to spearhead their 'Women in Crypto' campaign through a series of initiatives, kicking off with the 'Rising Women in Crypto Power List' that invites nominations from those that have incredible achievements, influence and potential in the crypto community

To represent powerful women in APAC, **Myrtle Ramos** was an obvious choice, working across numerous blockchain-related businesses, such as Blocktides as founder, and is renowned for empowering women and youths in the space.

Of course, it's not just women that are driving this movement. Wirex's own CEO, **Pavel Matveev**, is a renowned spokesman and activist for encouraging the mass adoption of cryptocurrency and using the Wirex platform to empower everyone, including women, to have easy access to crypto in everyday life. The second male chosen is no novice in shining a light on those making a difference – **Jason Williams**, CEO of *The Fintech Times*, who created his own Fintech Power 50 List to showcase the most innovative companies and visionaries shaping the fintech industry.

Our judges
(L-R) Dr. Ruth Wandhöfer, George Coxon, Myrtle Ramos, Pavel Matveev and Jason Williams

As you can see, we've got a pretty exciting lineup of judges that are ready to read every nominee's inspirational story and pick out their top 10 women that they think will lead the future of crypto. The winners will be profiled and showcased on both the Wirex and *The Fintech Times* websites to millions of people around the globe; just a small token of appreciation for these incredible individuals!

Why women need to be celebrated

The Power List was inspired by Wirex's vision to empower everyone, especially women, to experience a world where all currencies are equal. The team behind it is striving to use this campaign and its insightful content to inspire women around the world to get involved in the crypto space that is so often stereotypically associated with men.

Dr. Ruth Wandhöfer explains: "I've been an advocate for women's involvement in the fintech and crypto spaces for many years, and I'm delighted to be invited to be a judge for this Power List. There's an incredible selection of entries so far, and I can't wait to help select the most incredible women.

I'm extremely passionate about driving change in the crypto space. While progress is being made and women are steadily becoming more interested in this new asset class, more must be done and women should play a larger role in shaping the industry moving forward. The key to actioning this much-needed change is to champion the success stories of current women who are doing amazing things in the crypto space and rising through the ranks.

Individuals, such as Amiti Uttarwar, the first confirmed female developer of Bitcoin Core, and Amber Baldet, ex-blockchain lead at JP Morgan who now sits on the board of the Zcash Foundation, are prime examples of this and trailblazers for the women in crypto movement.

To continue to move the needle, we must advocate for more readily available education around blockchain and crypto, and community-building in the world of crypto, one of the reasons I was so keen to join forces with Wirex to support this campaign." TFT

wirex

Leaders in fintech... that happen to be women

*During the month of September, **The Fintech Times** website paid tribute to women in fintech, highlighting their stories to encourage and inspire a new generation of female leaders*

The digital team put the focus not only on women in the UK and Europe, but also those from the US, Asia and MENA, outlining the various challenges and journeys that had led these successful women to the job they do today.

From the CEO of online business bank Mettle to the chief product officer at business-to-business payments company MineralTree, let's hear from some of the successful women leading the way in fintech.

SAM SHORT is the CEO and co-founder of Moneyed, a fintech startup promoting workplace financial wellbeing. Moneyed is leveraging data science and tech to bridge the financial advice gap, which currently impacts more than 20.8 million people in the UK alone.

"While I'm proud of all of my achievements, I'm most proud that I was able to complete, with the support of those closest to me, my PhD on time and that my research contributed toward a world-first measurement that saw me and my colleagues be awarded the 2016 Breakthrough Prize in Fundamental Physics – (the prize, dubbed the 'Oscars of Science', was founded by Mark Zuckerberg et al. to recognise individuals who have made profound contributions to human knowledge).

As with any equality problem, the gender imbalance in fintech is likely the result of multiple different factors; the legacy of financial institutions being male-dominated, coupled with an entrenched societal assumption that women don't want to work in high-stress, fast-paced environments.

The first step to tackling this problem is to increase the number of women in senior fintech positions. To create a more gender-balanced executive, it is not sufficient to simply promote more women into senior positions; if we do not work to create a more inclusive culture, we will still encounter retention issues.

Fintech should favour people who innovate, but instead often listens to those who talk the most and shout the loudest. We need to shift to a culture which celebrates results and collaboration, rather than ideas and self-promotion."

ELIZABETH (ELLE) KOWAL is chief product officer at SaaS-based accounts payable (AP) automation and B2B payments software provider MineralTree.

"My focus is on ensuring our success by helping others succeed. I spend lots of time mentoring, coaching, guiding my team and others throughout the organisation.

Facebook's Sheryl Sandberg said: "In the future there will be no female leaders. There will be just leaders." I truly believe and hope for that. My advice for women as leaders is: be authentic. When you are the true you, and not the one you think others want or need, you will be vulnerable in a way that shines through. You will be open and honest with yourself and others. And you will be a leader that others want to follow.

Be self-aware. Know who you are, know your weaknesses, but focus on your strengths. Be confident. Don't overcompensate for what you don't have or what you think you don't have. Don't apologise for who you are. Know your skills and be confident in them so you can ask questions and ask for help – that's how you grow."

ROBIN NUNN is an innovative thought leader in the fintech industry who has served as trusted in-house and outside counsel to some of the world's top financial institutions and enterprising startups, including Capital One and American Express. She is now a partner at global law firm Morgan Lewis.

"As my career has progressed, I've come to realise that being black and a woman has both posed challenges and provided benefits to me. I strongly believe that many of my attributes, like strength and perseverance, which are often characterised as black female attributes, make me a more effective attorney and advocate.

In California, the home of many fintech companies, proposed legislation that would mandate diverse individuals be part of the boards of the largest companies is soon expected to be signed into law. We saw similar legislation in the state mandating that women have equal representation on corporate boards pass in 2018 on the heels of the #MeToo movement.

I am committed to ensuring that one day my voice will be one of many diverse voices moving the fintech industry forward."

MARIEKE FLAMENT is the CEO of Mettle, a unique fintech proposition as the digital-only business account for small businesses, backed by NatWest. She is passionate about exploring the ways in which technology can be used to change people's lives and is an advocate for diversity and inclusion in finance and technology.

"My key advice would be: if you are passionate about something, go for it.

I had two key mentors; firstly while at luxury goods giant LVMH looking after IT, the VP for Asia Pacific Jean-Christian Seguret took me under his wing and taught me about finance and the balance sheet and thanks to him I changed my career significantly. I learned a lot about the importance of being genuine as a leader with your team.

The other was Adam Jay, a leader at travel company Expedia, and I learned a lot from him in terms of thinking about business more broadly. So personally, I have found the male perspective around me valuable – it demystified a lot and help me believe that anything is possible.

To this day I keep surrounding myself with cheerleaders, mentors and coaches - there is no way we can achieve anything without other people!"

NOHA SHAKER is the founder and secretary-general of the Egyptian Fintech Association and the elected vice president the Africa FinTech Network, the union of African FinTech associations – both are non-profit organisations that serve financial inclusion, equitable economic and gender parity through fintech and entrepreneurship in general.

"I have worked within the financial industry for 20 years, spending 12 years working for Commercial International Bank (CIB), heading the Digital Ventures and Strategic Alliance for a regional leading bank along with heavy exposure to technology and management consulting, making me ready to take on the challenges I chose to pursue.

The main obstacle has always been resistance to change, incumbent banks and large organisations tend to have very well rooted corporate cultures, to shift such corporate culture to welcome and embrace innovation and change is always hard.

The challenges I faced as a female are not much different than that faced by a male executive, you have to prove you bring value to the table to be able to succeed. I just had to put in extra effort to earn respect and be accepted in the 'big boys club'.

The future is happening, whether you are ready for it or not, so always be ready! That readiness is a function of ongoing learning, exposure to international markets, deeply understanding and engaging the local ones.

Grow your network of like-minded professionals and surround yourself with people who share your values and vision, they can and will push you forward. You are your worst enemy or best friend, only you can determine what you can and cannot do!" TFT

Empowering women to succeed

*Now is the time to tackle the counterproductive culture of presenteeism and inflexible working, says **Moneyhub**'s CEO **Sam Seaton***

Back in the 1960s, businesswoman Dame Stephanie 'Steve' Shirley set up a software business for female programmers that focused on creating an environment where women could manage their home and professional lives. Shirley and her team pioneered the idea of women going back into the workforce after a career break and promoted flexible work methods, job sharing, profit-sharing and company co-ownership.

Sam Seaton, chief executive of Moneyhub, the market-leading open finance data and intelligence platform, says she often cites Dame Stephanie and her book *Let IT Go* as a source of inspiration behind her own desire to help more women succeed in a traditionally male-dominated industry.

"It's good to look back to when Dame Stephanie started an all-female computing programming business. She wanted those who wanted a career in computer programming to be not put off by admin tasks if they were going to get married and have children. There was an office but there was also the opportunity to work from home around the children. She didn't care as it was all about getting the job done."

"We need to take a leaf out of that book even today as somehow this approach hasn't become the norm. What did become normal is going into an office from early in the morning until 6pm at night (at a minimum) to prove that you are committed and you could do something real."

"I am a big advocate of flexible work, yet sometimes we don't ask enough if that's what someone wants, or we don't make it acceptable to have that option. There has to be more flexibility around the working female as I think that would make the biggest difference to hearing more female fintech success stories."

"I hope I can influence my colleagues at other businesses where they're perhaps not thinking quite as bravely. I have many male colleagues in this industry that I talk to a lot about this, and I make sure that they really think it through a bit more."

"I also feel quite strongly that part of the reason women don't end up in some of the roles that they could easily be in is because of their obligation to care for others. Whether it's family members or children, they do tend to take the burden of care on their shoulders. I'm not saying it's right or wrong, but it's just how it seems to be. So I'd personally like to see more parents given the opportunity to make more informed choices about who is going to work and when. One thing that is very important is making maternity and paternity leave equal."

Coronavirus impact

Establishing a better work-life balance is what most people strive for and, according to Seaton, the ongoing Covid-19 pandemic could bring an unexpected positive outcome.

FINDING BALANCE
The Moneyhub team enjoying a trip to Rome

"Obviously, it's very sad what has happened with the pandemic but there are some silver linings in terms of flexible working and the fact that companies have not seen productivity drop and that is with people having to work with children at home."

"This can only help with our perceptions of more flexible working and put an end to presenteeism and the idea you have got to be in an office to be productive. The pandemic has shown that to be a load of baloney."

As well as ensuring Moneyhub is 'inclusive and diverse', Seaton is also a founding member of Open51, the organisation that promotes the role of women developing open finance and the new data economy. Open51 members have the knowledge and expertise required to realise the benefits and challenges of open finance, as well as an 'acute understanding' of the risks posed by the gender data gap and what needs to be done to eradicate it.

"It is all about making sure the 51 per cent of the population who are female are represented correctly in the world of machine learning and artificial intelligence. Because I do worry what we have done in the past will make its way into the algorithms that are going to apply more and more in the future. I'd like to do my bit to stop that happening and make it fair and equal."

Making a difference

This unwavering ambition for fairness is what drives and motivates Seaton's mission at Moneyhub to enhance the lifetime financial wellness of people, their communities and their businesses by harnessing technologies to make financial advice and information more accessible.

Providing open finance solutions since 2014, Moneyhub connects to thousands of financial institutions from bank accounts, mortgages and loans, to investments, pensions, savings and credit cards – all with the customer's consent.

Seaton hopes that, like her inspiration Dame Stephanie, she too will be ultimately recognised for making a difference to people's lives.

"I'd like to think that when I'm done, I really will have had some impact on people's lives in terms of their money and allowing them to know a little bit more about what's right for them, what's wrong for them, what they'd like to do, and personally have everyone a little bit better off than they would have been without that help. Noise is easy to create, but making a real difference is much more difficult." TFT

About Sam Seaton

Sam Seaton is CEO of Moneyhub, the open finance platform for customer-centric organisations, and a leading player in the field of financial data aggregation, intelligence and payments. Before Moneyhub, she worked for global advisory firms and innovative financial forecasting businesses. Sam is passionate about the power of technology to help consumers achieve better financial outcomes and is a non-executive director at the Charities Aid Foundation (CAF) Bank, on the Digital Advisory Panel at Newbury Building Society and on the advisory board of The Big Exchange. She is also one of the ten industry representatives in the steering group on the Money & Pensions Service's Pensions Dashboards Programme. Sam is a keen horse-rider and eventer (an equestrian challenge comprised of three disciplines – dressage, show jumping and cross country).

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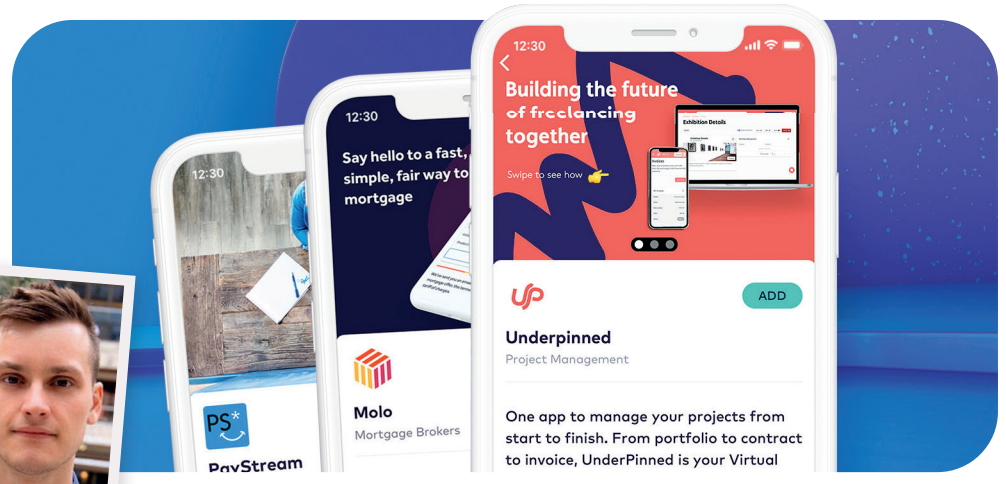
moneyhub

SEARCHING FOR THE PERFECT INTEGRATIONS

***Guy Waller**, Partnerships Manager Marketplace at **Starling Bank**, explains how it finds the right integrations for its financial ecosystem, Marketplace*



Many banks are taking an increasing interest in leveraging ecosystems to stay relevant and to offer a personalised experience to their interactions with customers. Research by consultancy firm Accenture last year revealed that nine out of 10 banking executives see ecosystem-related initiatives as the main driver of future value creation in the industry.

Most emerging businesses and startups have grown accustomed to operating in a world where digital services are tailored to their requirements. They expect the services they are offered to match closely with their business speciality, locations and customer demographics.

At Starling, the fastest-growing SME bank in Europe, we give both personal and business customers in-app access to a range of financial products and services through Marketplace. Launched in 2017, the Starling Marketplace showcases third party products and services, including cloud-based accounting software, insurance, legal and loyalty programmes, that customers can choose from to link to their Starling account. These companies integrate with Starling using the bank's public application programme interfaces (APIs), which fulfils the sentiments of PSD2, but allows for richer and deeper integrations.

Our first integrated company within the Marketplace was Flux, the rewards and receipt platform, and onboarding of new providers has been pretty much constantly since then.

In February 2019, Starling was awarded a £100million grant from the Capability and Innovation Fund (CIF), which comes from a £775million fund created as a condition on RBS for accepting £45billion bailout during the financial crisis. After receiving the money, we expanded our Marketplace for business account holders.

Finding new providers

We now have 27 service providers at the moment, predominately on business. There's a variety of different ways we choose new companies for the Marketplace. In addition to just looking at what's going on out there in the fintech space itself and spotting exciting and innovative fintech businesses, many of our service providers have come as a result of listening to what customers tell us is needed. It is products and services that can help them save time, save money, and just generally make that banking experience, as a whole, better.

When we talk to people that are very much digital first customers, we then look for providers and verticals in those areas that could be useful for either running a business or just as an individual person. Often customers say: 'Oh, we have an account with you, and we've had it for some time, but you would be really useful if you also had a relationship with X.' Giving customers choice and the ability to make informed decisions about who they integrate with is really useful. One of the objectives of open banking was to join up the dots a bit more and give people the ability to make easier decisions about what they actually purchase and integrate with.

> At Starling, the fastest-growing SME bank in Europe, we give both personal and business customers in-app access to a range of financial products and services through the Marketplace

Currently, we have integrations spanning accounting, insurance, pensions, investments and everything in between. We consider services that we think are good and add value and have discussions internally over whether they would be useful if you were running a small business or if you're a retail customer.

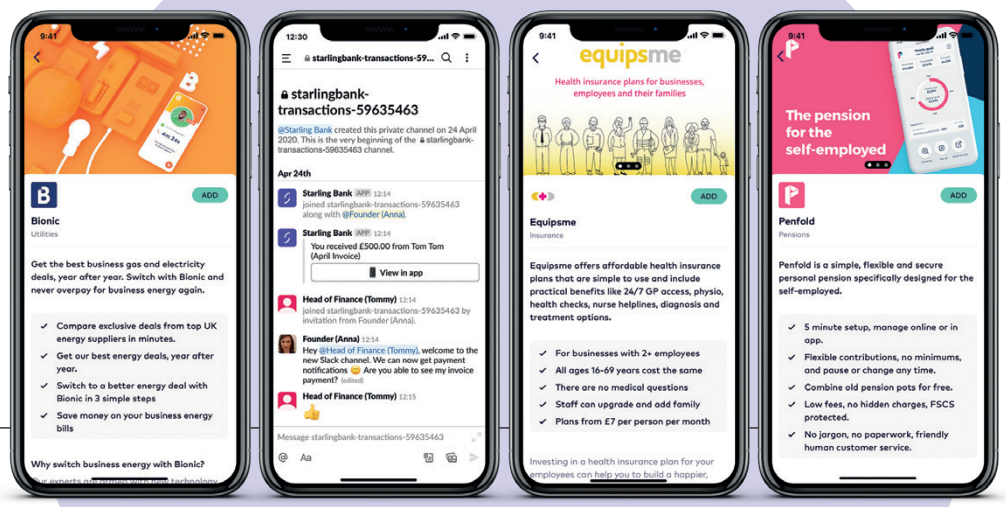
For an example, earlier this year we launched Equipsme, a health insurance startup that is approaching the market with a very different solution for helping SMEs get practical and affordable health and wellbeing support, private medical insurance and so on. Health insurance was a vertical we were looking at for the Marketplace and the Equipsme integration turned out to be a great one, particularly given everything that's going on at the moment.

Another recently added app is Penfold, a pension provider designed for freelancers and self-employed people and limited company directors, whose incomes can sometimes fluctuate widely from one month to the next.

Provider benefits

For the providers, it is an enticing offer for them – they enjoy customer acquisition and get their brand across outside of the usual means of Google. When we introduce a new company, we typically have a huge launch for the provider and tell our customers that there's a new addition to the Marketplace that could really benefit them as a business or an individual. We have a whole section about what they do, how they can benefit customers, bullet points about the really important things, etc.

During discussions with potential services, we will look at their history and we have discussions about how many customers they are serving, how popular their product is and can they prove it? But, as a licensed bank, we do obviously have a stringent due diligence process to make sure that they're robust and are going to continue to provide a good service for customers. It looks at everything from when the business started and everything in between to where they are now and assess if it is an appropriate provider to put on the Marketplace. We obviously also have a wealth of engagement stats and keep an eye on how they are performing.



The Covid-19 effect

We are looking for integrations that we can work with to unlock value for customers, particularly at a time when it's so challenging. The Covid-19 pandemic has given us more of an impetus to crack on and keep growing the Marketplace and offering our customers solutions and saving them time and money.

There will be some areas of the Marketplace on the business side where it's useful and valuable to have more than one provider to cater to different types of businesses. But we know there will be other verticals where just one is all we need, maybe because it's quite a niche area or because that provider does the job.

It's not just about revenue

When the Marketplace was set up, revenue generation wasn't the only goal. It is three years old now and it is still something we are iterating and doing more to make it look and feel better. Adding new providers that unlock value for customers today is something which is being continually developed.

Having that ecosystem of really useful integrations is the primary goal as first and foremost, we want to really make a useful and nice proposition for customers to visualise. Although of course revenue generation is definitely of interest and Starling Bank is moving fast towards reaching profitability. It's something we want to achieve next year and we very much see the Marketplace as a key component of what we do.

We look for providers with similar values to us, but also like to work with some of those smaller businesses too. Watch this space as we're definitely not losing momentum in terms of offering choice new things and there'll be some new and exciting launches coming up. TFT

About Starling Bank

Starling Bank is an award-winning and fully-licensed bank built to give people a fairer, smarter and more human alternative to the banks of the past. With four different account types – personal, business, joint and euro – and a pioneering payment services proposition for businesses, Starling's world-class tech reimagines banking for life today, putting the tools people need to feel good about money in the palm of their hand.

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STARLING BANK

The Evolution of Trust

Prof. Yehuda Lindell of Unbound pioneers the use of multi-party computation technology to protect cryptographic keys

Unbound Tech creates cryptographic key management and protection solutions designed for an increasingly interconnected world.

The Fintech Times chats to CEO and co-founder Yehuda Lindell, a professor of computer science at Bar-Ilan University in Israel and a cryptographer, about his expertise in secure multi-party computation and Unbound Tech's work with global organisations.

THE FINTECH TIMES: What was the vision behind starting Unbound Tech?

YEHUDA LINDELL: I am a cryptographer by trade and training and have been practicing cryptography for more than 20 years now. I started doing pure theory, bordering on applied math and, over time, my research shifted to making multi-party computation (MPC) technology – my research specialty – a technology that is efficient enough to be used in practice. The idea of commercialising MPC technology was therefore a natural next step on the road from theory to practice.

Almost a decade ago, I co-founded Unbound Tech along with Guy Peer and fellow cryptographer Nigel Smart. The underlying idea behind Unbound's solution was that the MPC research we were doing in academia could solve the acute problem of protecting cryptographic keys and secrets. Our theory was that if we split the keys and secrets (of all types) and use MPC to ensure that they are never combined, even while in use we could deliver a new methodology in key protection. This simple and yet powerful idea became the springboard to our solutions which are now in use by some of the world's largest banks and enterprises. At the time, MPC was primarily only known by academics and a big part of founding Unbound was the understanding that we could greatly improve how businesses and people's information are secured in today's dynamic and virtualised computing environments.

Today, Unbound Tech aims for enterprises worldwide to easily secure and manage all their clients' information, identities and assets, and as MPC has begun to really take off in the security field, we are well on our way.

TFT: What is MPC and what value does it bring to the fintech sector?

YL: In technical terms, secure MPC is a subfield of cryptography allowing multiple parties to jointly compute any function while keeping their respective inputs private. Unbound has pioneered the use of secure, MPC to enable a distributed model of trust based on creating, using and managing secrets as multiple shares distributed across multiple entities, with a strong yet elastic and agile pure-software platform.

In other words: MPC never keeps keys in one place and offers strong cryptographic key protection capabilities in pure software. This means that any key management system can now be secured to the highest degree and split among multiple parties without the scalability problems, high cost of ownership, and inflexibility that many legacy hardware-based models present.

When it comes to real-world applications: MPC has so many potential use cases that we helped found an entire organisation around it: The MPC Alliance.

Fintech is one of the key markets that greatly benefits from our highly advanced approach and many use cases. For example, one of the main benefits we see often is being able to tokenise any asset; securing mobile banking data to meet the strictest of requirements, without sacrificing the user experience for employees and clients; and policy enforcements across multiple and complex financial IT environments – whether that's for fiat assets or for blockchain-based assets. Another advantage to fintech is the ability of MPC to support maker/checker workflows, with cryptographic enforcement.

TFT: What special challenges would you say the financial sector faces today in terms of cryptographic key security?

YL: Financial services are under great pressure to keep delivering the same premium levels of security and trust as before – but they're dealing with a world that's increasingly mobile, where information is less and less under their direct control, and where different asset types leave different security vulnerabilities than before.

Coupled with the fact that compliance requirements for financial services – no matter where that service is based – are typically based on 20+-year old IT infrastructures, like hardware security modules (HSMs), and may not take into account the mass interfacing of everything via internet and cloud services.

In practice, this means that financial services often have their clients' data spread over multiple data silos or other key management infrastructures and are struggling to make those systems interoperable enough to provide full transparency to auditors and fast services to clients. Not to mention the recent renewed emphasis on compliance on both sides of the financial asset equation – increased scrutiny over assets kept on Cloud environments (e.g. CLOUD Act, GDPR, etc.) and over the compliance and regulation enforcements in the digital asset sector (security tokens/SEC, the IRS now requiring cryptocurrency reporting on page one of the 1040 form, etc.).

As a result, we once again have the classic 'security-usability trade-off': either clients' assets are held to traditional standards of hardware-based security, but it takes the client a long time to access those assets, and they are burdened by hardware tokens or other processes along the way – or, the clients' assets are secured using newer software-based systems, but they're more vulnerable to attacks from identity thieves, rogue insiders at organisations, or just plain human error. And the bottom line is, both sides of the trade-off cost organisations considerable time and money. MPC-based solutions bridge that gap by providing a high level of security without compromising on usability, agility and flexibility.

MPC-based solutions are also compatible with hardware. It is possible to utilise hardware where needed (e.g., for regulatory reasons) and MPC elsewhere, in a single platform that provides a unified solution for an enterprise's cryptographic needs.

TFT: Where do you think the financial industry is going in terms of meeting those challenges?

YL: Looking at the macro level, we've already seen that governance and compliance are more important than ever – especially now, when everything is moving from on-premise centres to devices. Tamper-proof auditing has never been more critical in terms of meeting government requests for data and in terms of providing custodial services for mobile, data-driven, device-driven enterprise banking clients.

In terms of the usability issue, we've found that even the world's biggest banks are experiencing pushback from a generation of young professionals looking to access their assets securely, from anywhere, without region-specific accessing required as in SMS-based authentication. They're also demanding the kind of transparency often seen at challenger all-digital banks.

MPC can help with that, and at Unbound we've been helping those tier-1 banks make the jump to systems which can both uphold the institutions' reputation for security and meet the needs of a world that's outgrown what that reputation was built on in the first place. That means switching from hardware tokens to built-in authentication systems, and from HSMs to virtual HSM systems with one centralised form of management.

Unbound Tech offers a solution brief that covers how enterprises can build and manage a secure and flexible crypto foundation across clouds, server and endpoints. Download at **https://bit.ly/32u8U0o.** TFT

AT A GLANCE

WHO WE ARE: Unbound Tech equips companies with the first pure-software solution that protects cryptographic keys and private data ensuring they never exist anywhere in complete form. At the heart of Unbound's solutions lies sophisticated applications of secure multi-party computation (MPC), developed by Unbound's co-founders, Professor Yehuda Lindell and Professor Nigel Smart, world-renowned cryptographers. MPC offers a mathematical guarantee of security that fortifies Unbound's disruptive technology. For the first time, trust-contingent operations are enabled anywhere, reaching far beyond the boundaries of physical infrastructure.

The name Unbound, stemming from the mathematical term 'unbounded' refers to something that is not confined to certain parameters and reflects the company's unique approach to security and privacy. As a company, Unbound allows organisations to work with secrets without ever exposing them, ensuring digital assets are safe at all times.

COMPANY: Unbound Tech
FOUNDED: 2014
CATEGORY: Cryptography
KEY PERSONNEL: Prof. Yehuda Lindell, CEO and co-founder
HEAD OFFICE: New York, United States
ACTIVE IN: Global
WEBSITE: www.unboundtech.com
LINKEDIN: www.linkedin.com company/unbound-tech
TWITTER: @UnboundTech_

UNBOUND
WHERE SECURITY IS KEY

> Fintech is one of the key markets that greatly benefits from our highly advanced approach and many use cases

The wind of digitialisation

*A customer-centric culture is essential for staying on the right path, says **Julian Opuni**, MD, **Fidelity Bank Ghana***

Fidelity Bank, one of the largest banks in Ghana, has been a great case study of digital banking transformation in an emerging market. It has announced a slew of partnerships, a push towards contactless as a Covid-19 response and large-scale transformations. Here Julian Opuni, MD of Fidelity Bank Ghana, chats to TFT guest editor Devie Mohan about the bank's digital transformation plans.

THE FINTECH TIMES: What does digital transformation mean to you?

JULIAN OPUNI: While multifaceted, the central impetus of our digital transformation drive is customer centricity. We are evolving our business to better and more efficiently serve our customers by leveraging the insights and capabilities of new technologies with data and our digital channels at the frontline. This means revising our processes to relieve our customers' pain points and providing tools and services that allow them to see banking as an enabler in their lives.

It also means recognising the evolutions in our industry when it comes to the competitive landscape, new ways of work, and even our customer base. For example, the definition of a customer may expand past someone who owns a bank account to encompass everyone who directly or indirectly uses one of our channels. And a partner is not only a service provider to the bank, but also includes organisations, such as fintechs who can leverage our services to drive added value for our shared customers.

TFT: Has Fidelity Bank's business operations and strategy changed to adapt to digitalisation?

JO: Absolutely. It is common knowledge that digital channels and services will dominate the future. We are therefore prepping ourselves for both the future customer as well as today's evolving customer. This has meant purposeful investments not only in new platforms and services but has also included a deep dive into our setup as an organisation and our work culture. We have invested in both the training and coaching of our team to embrace new ways of working as well as welcomed new tools and work structures. We have scaled down some roles and sought to transition and build the capacity of teams in new areas that we feel will be game changers going forward. We have created new, agile business units with the express mandate of delivering projects at a pace that is consistent with the heightened tempo of delivery that typifies our new normal.

We have also expanded our partnership network to include new previously unlikely partners such as telcos. We were one of the earliest partners of Ghana's largest telecommunications company at the inception of the mobile money concept in the country. Since then, we have deepened our collaborations with all telcos in the country. Currently, we are the largest banking partner for the mobile money sector, and we have jointly introduced products that have expanded financial services to previously underserved and unbanked segments of our economy.

TFT: How would you describe Fidelity Bank's digital transformation in recent years? How have changes helped boost Fidelity over the years?

JO: In response to changing trends in banking worldwide and to customer needs, we at Fidelity Bank have been on a mission to enhance our digital aptitude and fluency over the last few years. Our aim is to ensure that the services offered along all our channels are delivered effortlessly and allow for customer engagement. Our approach has been multi-pronged. Externally, we expanded our digital channels from the staples of USSD, mobile app and internet banking into more novel areas such as social media banking leveraging the use of chatbots. We further empowered these channels to ensure that they provide real utility for our customers and are not just novelties for early tech adopters. We were one of the first banks to enable movement of funds to and from bank accounts to mobile money wallets via a banking app and have since enhanced our bouquet of services to include digital credit, remote onboarding, and offerings for sole-proprietor customers.

Even within our physical channels, we sought to be more digitally adept and introduced e-lounges and smart ATMs that allow for self-service. This not only helped to free up traffic in our branches, but also allowed for more specialist functions to be carried out by our front-line staff.

Internally, we have been constantly reviewing our internal operations to make sure they are fit for purpose in the digital age. We have been careful to avoid a digital front end and manual back end to our services and have therefore had to do a lot of process re-engineering to ensure consistency. We still have a way to go, but we are on the right path and we are excited for the future.

TFT: What is your opinion on the assertion that interacting with customers is considered one of the main challenges for banks in the digital age?

JO: While it can definitely be argued that there are challenges in predicting or capturing customer sentiment in today's age, I would suggest that it can be largely the opposite. Social media has created an almost constant stream of communication of customer opinion of one's brand and industry as well as customer sentiment in general. The real challenge is positioning the 'ears' of the organisation at the right place and time to pick up on these expressions at an early stage, to understand which way the wind is blowing and to react efficiently and promptly. This also includes employing the insights to assess and determine sustained trends from fleeting ones and to respond appropriately in both cases.

What is undeniable is that modern consumers are better connected, more informed and more resourced than ever before and have accordingly set a higher bar in terms of their expectations. They expect greater flexibility over their money and a high degree of personalisation and convenience out of their banking experience. With a plethora of choices available especially from non-traditional banking companies, customers have never before had more options for their financial services.

TFT: What barriers, if any, has Fidelity Bank encountered with regards to digital banking? And, how do you overcome these barriers?

JO: Great question. As tends to be the norm, enforcing change is uncomfortable and the resistance to change can be compounded when the old ways of working have achieved some level of success. However, at Fidelity we pride ourselves as a leading innovator in our market. As mentioned earlier, we were one of the first banks to invest in the mobile money concept in Ghana and we were the first bank to launch an agency banking model that is the largest in the country today. We have sought to translate this pioneering spirit to embracing digital banking. We invested heavily in structures and personnel who embody the mindset we believe is key to our digital transformation drive and provided them with teams and resources to build winning strategies and solutions. We also revisited our internal performance metrics and incorporated specific digital-business targets throughout the organisation. This has called for direct involvement right from the executive level of the organisation.

Our transformation is a marathon and not a sprint, so we still have ground to cover. Legacy systems that were appropriate in the past are now in need of upgrades and the process for doing so is both arduous and capital intensive. Furthermore, such upgrades must be done carefully to avoid disruptions to the business. As a result, we have had to employ a steady and selective schedule which is a bit slower than we may have liked but has proven to be the more prudent approach.

TFT: What are your views about digital banking trends in 2020 and in the next few years?

JO: We foresee an acceleration towards the digital or contactless economy. Covid-19 has fast tracked a lot of the trends we saw coming, chief of which being the wider adoption of digital channels even in a cash heavy economy such as ours. Unsurprisingly, safety concerns fuelled a rise in preference for non-cash payments, especially in the earlier days of the pandemic and we expect this trend to endure going forward.

We further anticipate a narrowing of the last service mile in terms of fulfilment of services for the digital economy. While mobile money, banking apps and USSD services continue to rise, we do still see a lot of cash come into play at the final leg of a transaction for many people. For example, we still have some vendors or delivery services that do not accept payment for a product or service on a digital channel, forcing customers to revert to cash. Mobile interoperability for payments removed the barrier of payments across different networks, and we expect these barriers to be further reduced as more vendors accept mobile payments as a payment method that is more efficient than cash. Finally, we also see an increasing focus on the customer. We will see more powerful banking and finance tools seamlessly integrated in the lifestyle apps and products of customers. It is likely that fintech will lead the charge and push the envelope when it comes to the introduction of new services along the banking and finance value chain. But it will likely take partnerships between banks and fintechs to rollout these services at scale to the mass market. TFT

Harnessing AI for firms of the future

The growing need to embrace artificial intelligence to manage regulatory change and navigate global complexity

We recently published a report in collaboration with Burnmark – *Regtech for Regulatory Change* – that explored the emergence of regulatory technology (regtech) and the impact it is having on regulatory change within financial services. It's no secret that since the 2008 financial crash, regulatory change and the associated landscape has evolved at pace. Not only have we witnessed a deluge of regulations, rules and obligations published by global financial regulators, we're also witnessing a period of complete transformation in terms of the technology financial institutions are using, or at least intending to use, to manage regulatory change.

Artificial intelligence (AI) – or more specifically, regulatory intelligence – is, without doubt, an imperative capability for managing regulatory change and ensuring watertight compliance with global regulators. It is creating firms of the future who – in a unique collaboration between human and machine – are revolutionising the way they handle regulatory obligations.

In my view, regulatory intelligence demonstrates the perfect use case for applying the science of AI to transform regulatory compliance. Shifting away from managing compliance manually is like the shift from paper-based trading to electronic trading – once it happens, firms will wonder how they ever got on without it." *Ben Richmond, CEO & Founder of Cube.*

What is regulatory intelligence?

Regulatory intelligence goes beyond the base layer of regtech. It is the use of AI capabilities, such as machine learning (ML) and natural language processing (NLP), to automate compliance processes and provide smart solutions that think for themselves and do the legwork otherwise done by humans.

Regulatory intelligence takes a holistic view of the world of compliance, including the challenges of regulatory change management. Using AI, it can help build capabilities to provide deep insights into all aspects of the regulatory chain, from regulatory obligations to operational risks and controls. It can help to fully interpret what is relevant for firms, functions and processes, while also helping to prioritise the critical aspects of regulatory updates or identify 'blind spots'.

For example, CUBE's Digital Regulation Platform (DRP) runs algorithmic scripts and web analysis to capture global regulatory data in 180 jurisdictions. CUBE captures unstructured data and automatically converts it into a consistent data structure – whether the format is a regulatory rule book, PDF or Excel document – CUBE converts it into a single normalised format and extracts a multitude of learnings from it.

CUBE's DRP employs automatic translation so that all documents are available in English – no matter their language at source. Once this regulatory data has been captured, converted and translated – regulatory intelligence extracts its meaningful information and establishes the relevance of the regulations. This isn't a document-by-document process, CUBE's DRP is actively running this process on thousands of data sets at any one time.

> CUBE's Digital Regulation Platform runs algorithmic scripts and web analysis to capture global regulatory data in 180 jurisdictions

The key to all of this, is that CUBE can go a step further by classifying this data using CUBE's Regulatory Ontology, which maps the now structured data against an ontological structure to bring meaning and regulatory insight to the end user, in simple terms enriching the data and understanding what this means for the firm.

Such processes would take days, if not weeks, of human hours if carried out manually. Regulatory intelligence means that CUBE's DRP carries out this process instantaneously.

Regulatory intelligence is at its most powerful when used in concert with human compliance experts; it can accelerate the capacity of compliance teams to implement regulatory changes quicker and also bring about a higher level of assurance in compliance with any new regulation.

Do as the financial regulators say (and as they do)

While AI has now proliferated many areas of everyday life – and even found its way into many homes – the financial services industry has been slower on the uptick. This could be for a number of reasons: fear of change, fear of cost, high-value assets at risk in the event of something going wrong, etc. However, attitudes have shifted with AI fast becoming a capability that financial regulators expect to see firms using. It is also a tool that regulators themselves are employing in supervisory technology.

Financial regulators across the globe are implementing smart, intuitive technology – including ML and NLP – to manage their regulatory expectations. CUBE's resident AI expert and head of RegAI, Elliot Burgess, recently noted, "Regulators want to see innovation and that firms are embracing technology – they're also attempting to implement those technological solutions themselves."

If the regulators themselves have shaken off trepidation, they will undoubtedly be expecting financial institutions to do the same and are putting in place initiatives to allow firms to proactively explore such solutions.

Transformation through collaboration

Regulators are actively encouraging the use of regulatory intelligence, as seen by numerous regulator-led sandboxes, tech sprints and innovation hubs. As Burgess notes: "We're seeing that regulators are being more open – which allows the industry to work better through collaboration."

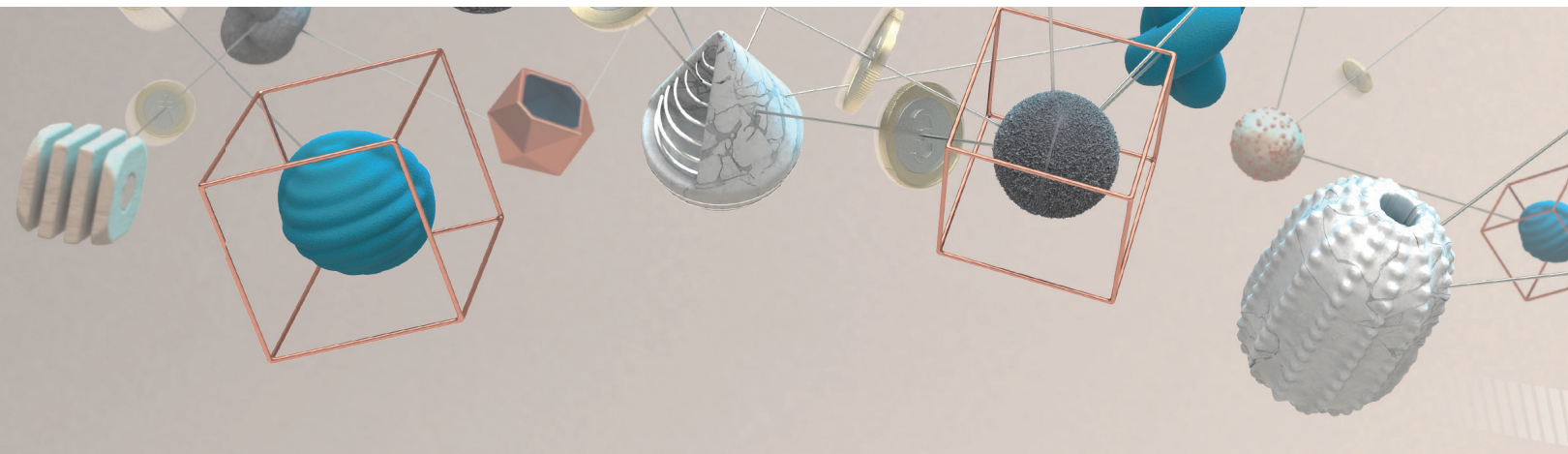
Collaboration comes in many forms for regulatory intelligence –collaboration between regtechs in developing products and integrations; collaboration between financial institutions in implementing and setting benchmarks for the use of regulatory intelligence; and collaboration between regulators and the regulated in developing an approach to innovation that has established regulatory backing from the get-go.

Many regulators, such as the Monetary Authority of Singapore and the Financial Conduct Authority, have been proactive in their attempts to establish a collaborative regulatory approach to new technology and the regulations that surround it. Technology presents new challenges and risks but also (most importantly) opportunity – regulators are looking to establish a cross-border approach to ensure the inevitable transformation of financial services is managed in a collaborative, consistent way.

Compliance – at what cost?

Financial institutions have historically been cautious when it comes to making changes to compliance systems and processes – after all, they arguably have far more to lose than traditional businesses. As well as the fear of the risks presented by new technology, there has also been a belief that the cost of implementation or migration to a regulatory intelligence solution would outweigh the benefit. However, in the context of recent fines for non-compliance from global regulators, the cost of implementing such a capability that would offer compelling advantages begins to look more appealing.

Non-compliance fines, especially those related to anti-money laundering (AML), have soared in the last five years. A recent report by Duff & Phelps found that global AML fines already sit at $706million in the first half of 2020 – almost double what was issued in the whole of 2019. Many have attributed the failures causing these fines to legacy or manual processes. Where firms insist on employing outdated compliance practices, they will inevitably fall foul of the regulators – potentially facing fines on an astronomical scale. When put into perspective, one might ask whether firms can afford not to invest in regulatory intelligence. TFT



BANKING CIRCLE

SEAMLESS AND BORDERLESS PAYMENTS WITH PAYSAFE AND BANKING CIRCLE

Paysafe, a leading specialised payments platform, serves a wide range of merchants including subscription-based businesses. These clients need affordable, accessible and secure access to fast transaction processing across Europe. Through Banking Circle, Paysafe can serve its merchant customers quickly, seamlessly and without imposing high fees, regardless of geography.

IN A NUTSHELL

- Paysafe is a leading specialised payments platform, bringing together the payment methods customers want, and the payment services businesses need.
- Banking Circle provides Paysafe with a bank account infrastructure that gives it access to fast and cost-effective settlements and payouts globally.
- Banking Circle has been working with Paysafe since 2016.

ABOUT THE CLIENT

Paysafe is a FinTech specialising in payments, servicing both businesses and consumers. Having been in the market for over 20 years, Paysafe has grown substantially through key mergers and acquisitions.

The business provides clients with a one-stop-shop for payment solutions, including: online and in-store payments, merchant acquiring, payment gateways, alternative payments, omni-channel and secure cross border e-commerce, white-label credit solutions and mobile order and delivery platforms.

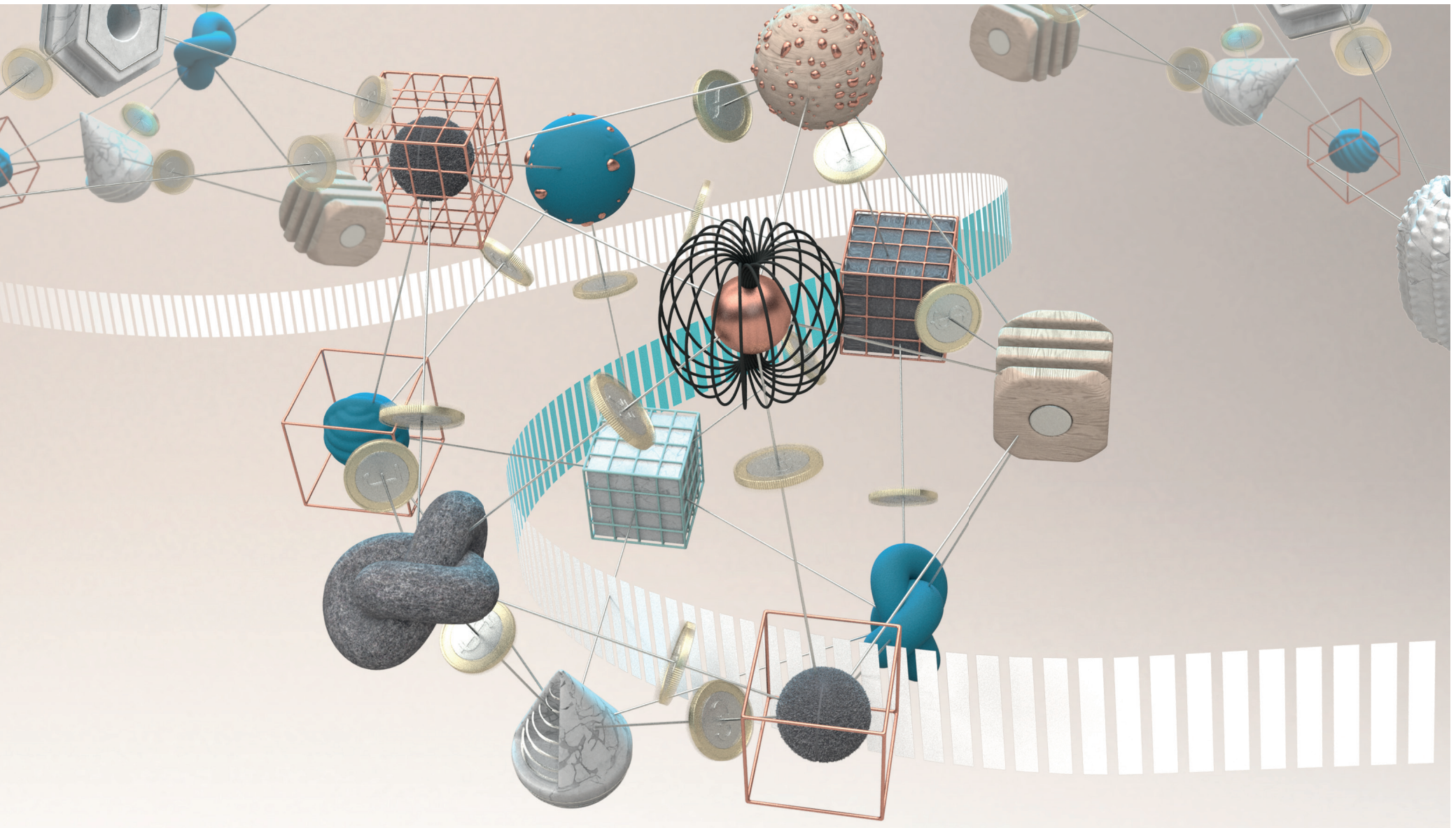
The Paysafe payment processing divisions are predominantly based in Europe, the UK and North America. The digital wallet business is global, serving over 170 countries in 18 languages, with 100 payment options and 40 currencies.

WHAT THE CLIENT THINKS

"As a newer provider, Banking Circle has a much more open approach to ways of working, with APIs, the right service levels and reporting in place, compared to that of many of the traditional banks.

"Our merchants don't really spend much time thinking about who we use as a banking partner, they just want us to be able to fund them in time and with the least cost. Banking Circle meets this need, but the real differentiator is that while payment queries, in the case of a very large bank, can take five to ten days to process, with Banking Circle, we generally get answers within 24 to 48 hours. That's really something positive for us as an organisation."

Garreth Dorree
Head of Operations,
Paysafe



THE CHALLENGE

Paysafe clients, including traditional online businesses and subscription-based enterprises such as fitness studios, use Paysafe solutions to streamline payments and process transactions securely across Europe. To deliver the best solutions, Paysafe seeks banking partners that allow it to fund clients quickly and at low cost, regardless of geography.

THE SOLUTIONS

Paysafe uses Banking Circle settlement accounts, and leverages Banking Circle's cross border payments infrastructure, local clearing network and FX services.

Having recently secured its banking licence, Banking Circle is now able to provide Paysafe with even greater confidence in capital and liquidity, as well as access to a wider range of more cost-effective services.

Through Banking Circle's unique suite of solutions, Paysafe has access to multi-currency bank accounts with foreign exchange facilities to enable the collection and distribution of client funds across borders. This allows Paysafe to serve its merchants quickly, seamlessly and without imposing high fees.

Working with Banking Circle, Paysafe is able to expand into new regions without the delays caused by arranging banking relationships in each new region. All settlements and payouts can be conducted through Banking Circle, in up to 24 currencies, utilising the international Banking Circle network. Further streamlining the process, payment instructions are sent to Banking Circle for processing, rather than to a list of separate, specific regional banking partners dependent on the currency and geography of the payments involved.

THE RESULTS

The total number of Paysafe payments handled by Banking Circle increased by 59.7% between 2018 and 2019, with the total value of these payments increasing by 78.4% over the same period.

Both indicators are testament to Banking Circle and Paysafe's growing partnership.

KEY BENEFITS TO PAYSAFE

- Quicker and cheaper to expand into new regions
- The ability to quickly add new currencies
- Settlements are faster, more transparent and trackable
- Reduced cost of settlement enabling saving to be passed on to customers, increasing loyalty.

GETTING PARTNERSHIPS RIGHT

A crucial element of success for digital transformation initiatives

Eran Shirazi, CTO, **Tal Daskal**, CEO, and **Omer Shirazi**, COO, at EasySend

Digital transformation is no longer about the future. It is about what is happening right here, right now. Embracing a digital culture is no longer some distant future possibility but an operational necessity. Companies of all sizes in the financial services industry must quickly adapt or risk losing customers to digital newcomers.

The key to a successful digital transformation, however, often lies beyond the boundaries of an organisation in an evolving realm of partnerships between incumbents and fintech startups.

There are good reasons why fintech, insurtech and regtech startups are popping up all over the place – they are the secret ingredient that drives digital transformation forward. Incumbents have a lot to lose by trying to 'do it alone'. After all, digital transformation is most often not their forte – and it shows.

Across the board, young, digital-first companies are conquering previously sheltered markets, including insurance and banking. Customers often prioritise the ease of onboarding and use that newcomers offer over the established, trustworthy organisations that have been with us forever. We see companies, such as Revolut, Lemonade, N26 and Monzo, quickly gaining momentum. And the question is – how can incumbents possibly compete with such a high level of digital prowess?

The answer lies in partnerships. By partnering with the right company, established enterprises can gain the know-how and technology that will enable them to achieve digital transformation in a record amount of time. The reason is simple – let the technology companies do what they do best – innovate, push the boundaries of what is possible and expand the horizons. On the other hand, corporations can concentrate on what they do best – deliver services and products to their customers. This is really a win-win situation. Startups win by expanding their customer base, enterprises win by gaining access to the latest technology without the need to develop it themselves and the end customers win by getting better customer experience across the board.

Accelerating time to market with no-code tools

One hurdle that organisations face is the slow time to market of new digital products. Release cycles in traditional enterprise settings take anywhere from six to 12 months. And, often by the time the product is released, it is already obsolete.

EasySend is a no-code platform for building and optimising digital customer journeys in insurance and banking. EasySend empowers customers to cut the time to market of new digital products from months to days and sometimes even hours. And, the best thing is that our customers don't need to invest time, money and resources into developing the internal know-how and building up innovative technological solutions. They can use the existing technology and no-code tools to develop new digital journeys quickly, efficiently and at a fraction of the cost.

The right partner can make or break your digital transformation initiatives. By partnering with those that can enable rapid transformation, greater efficiency and improved customer service, you can take your organisation to the digital present and embrace the digital culture. TFT

About EasySend

EasySend is a no-code platform for building and optimising digital customer journeys in insurance and banking. By partnering with EasySend, financial services organisations can cut time to market of new digital journeys from months to days, delight their customers with amazing digital experiences, and boost revenue growth.

Visit www.easysend.io for more information.

WHAT IS THE EASIEST WAY TO BUILD A 21ST CENTURY DIGITAL BANK?

Learn how to integrate with ease to drive growth

Marcel Klimo, Tech Evangelist at Vacuumlabs

Have you ever wondered what makes a bank a 21st century bank? A small hint: it isn't the ginormous, rigid and extremely expensive mainframes; it isn't the systems that have to shut down every night for maintenance; and it definitely isn't the glued-by-hope hollowed out cores.

The list can go on and on. What a good 21st century bank needs is security, scalability, flexibility, availability and adaptability. So, where do you get it all, nicely packed and with a bow on top at a low cost?

THE ANSWER IS: MICROSERVICES

It is the same as choosing Netflix or other streaming services to watch your favourite shows and movies (emphasis on the favourite) instead of paying expensive TV packages with 525,600 channels no one is ever going to watch. Why pay more for a user-unfriendly experience?

The Netflix of banking is called a cloud-native core engine. Or to be more precise, cloud-native is a streaming service. Netflix would be the Vault by Thought Machine.

What makes Vault different is that it combines all the requirements of a successful digital bank. The data is encrypted in such a way not even a Jedi would stand a chance; the security is very high with this one. It can efficiently run a bank of any size. And, it can handle the transactions faster than Flash can run. You pay only for the exact amount of hardware it uses, no extra costs.

And, since we are now living in a digital and remote world, this means the death of the 9 to 5 mindset of many banks that open in the morning and close in the evening. Customers want access to their money all the time. The Vault is always available, designed for the 24/7/365 world of the 21st century.

The core banking engine Vault has been written purposefully as a cloud native by Thought Machine from its inception. Vault is built around application programme interfaces (APIs) using a microservices architecture. The services within Vault constitute a significant portion of all the functionality required to run a bank. For example, they are currently powering Asia's first all-in-one numberless bank card and virtual bank Mox by Standard Chartered, and banks like Lloyds Banking Group, Atom Bank or SEB.

Vault's Configuration Layer enables a bank to achieve a wide scale of customisation without changing anything in the underlying platform. It is highly advantageous and a key part of how Vault's architecture is a counterweight to the 'spaghetti' that arises in other systems when customisation and platform functionality are not separated.

If you need to change something or launch a new product, Vault's architecture allows it with minimal disruption. Upgrades can happen with zero downtime and a much simpler rollback if any issues arise. Need a specific functionality? No problem, Vault is more flexible than a ballet dancer at her prime and implements new services in a very short time. And if something goes wrong, Chuck Norris wishes he could fix it as easily as Vault. Got it? Now go and build your own 21st century digital bank, you have the gift of knowledge. Actually, no. Run. Fly, you fool! Before your competition seizes their opportunity.

DO YOU NEED A GUIDE?

This is the point where we would normally part ways. Technically, you are good to go. You know the key to a successful 21st century bank. But you may want to hang around a bit longer and fully utilise the benefits of our expertise.

Whether you are launching a new challenger bank, building a new banking product or completely re-platforming your existing bank stack, you will need a guide by your side to help you build out all the necessary interfaces and applications needed to achieve the experience you want for your customers.

After all, we at Vacuumlabs have spent years building digital products and tools for fintech and banks. We have been doing this for challengers like Twisto, Cledara, Railsbank, and even worked with Thought Machine to help integrate its core platform with various third-party providers into one cohesive app experience.

Curious to read more about building a digital bank? Download our paper at **www.vacuumlabs.com** or contact **marcel.klimo@vacuumlabs.com.** TFT

About Vacuumlabs

Vacuumlabs provides full-stack engineering teams and product designers to build leading products for partners in the fintech, payments and challenger banking spaces. Every step of the way, we collaborate and guide clients, allowing them to move fast, learn and iterate.

Website: www.vacuumlabs.com

Twitter: @vacuumlabs

vacuumlabs

Using technology to make finance easier

OneConnect on its mission to help SMEs grow and 'tech up'

Tan Bin Ru, CEO, (Southeast Asia), OneConnect Financial Technology

OneConnect Financial Technology wants to help enterprising businesses leapfrog into better ways of doing business through technology.

An associate company of Ping An Insurance Group, OneConnect believes traditional channels and processes do not allow banks to serve small and medium sized enterprises (SMEs) with small loan ticket size at a reasonable cost, causing huge lending gaps in the SME segment. Cumbersome back-end loan processing systems, verification processes, eyeballing of bank statements and background checks require many manhours. These old processes cannot handle high loan volumes and hinder future growth and scalability.

OneConnect provides end-to-end solutions to multiple verticals in the financial services industry, including banking, insurance and asset management institutions. Its technology-as-a-service platform provides apps and technology-enabled business services to enable customers' digital transformations and helps them increase revenue, manage risks, improve efficiency, enhance service quality and reduce costs. These include digital onboarding solutions, such as enabling companies to conduct the electronic know-your-customer (eKYC) process via facial recognition and biometric authentication.

Launched in 2015, the company has served more than 3,700 financial institutions, including all of China's major banks, 99 per cent of city commercial banks and 46 per cent of insurance companies, collectively reaching hundreds of millions of end customers and serving $0.3trillion of transactions.

On a daily basis, the platform facilitates more than 135,000 anti-fraud checks, 4.2 million credit risk assessments and the processing of approximately 13,000 auto insurance claims.

Since the setting up of its regional headquarters in Singapore in 2018, OneConnect has made strides to expand overseas rapidly. With a footprint spanning Southeast Asia, it currently serves three of the top 10 banks in Thailand and has inked several deals with top financial institutions in countries, such as Singapore, Malaysia, Indonesia, Vietnam, Cambodia and the Philippines. Outside of China, it serves more than 50 clients across 15 countries and territories. Having customised and implemented several end-to-end digital platforms that meet local regulatory and bank requirements, it has also amassed experience in Southeast Asia.

Last year, OneConnect was granted the virtual banking licence to operate its virtual bank, Ping An OneConnect Bank, in Hong Kong. The virtual bank is powered by OneConnect's virtual banking technologies from simplifying account opening to shortening loan approval processes.

OneConnect also offers a full suite of technology solutions ranging from artificial intelligence (AI), blockchain, cloud platform, biometrics identification and other solutions targeted at the financial services sector.

As a digital banking enabler, OneConnect also serves digital bank aspirants with its 'digital bank-in-a-box' suite of solutions, that includes digital banking, smart lending, cloud core banking and insurtech solutions.

OneConnect partnership with UBX

In 2019, OneConnect partnered with UBX, the wholly-owned fintech subsidiary of Union Bank of the Philippines, to build the country's first blockchain-enabled smart lending platform to meet the banking needs of micro, small and medium enterprises. Named SeekCap, the end-to-end digital lending platform launched in November 2019. With multiple lenders on the platform today, borrowers are able to choose what best suits their business needs and apply for loans seamlessly on a single platform. Loans are approved on the same day and disbursed within three working days, drastically shortening the turnaround time as compared with traditional loan applications in the Philippines.

Moving Malaysia forward

In Malaysia, OneConnect and a leading local bank collaborated to create an omni-channel distribution platform to fully digitalise SME loans experience. Launched in August this year, the platform comprises 1) a mobile app for SME customers 2) a mobile app for the bank's relationship managers and 3) a website – altogether a seamless SME loan platform that uses AI technologies in eKYC, facial recognition, micro-expression remote interview, bank statement OCR and so forth.

Using OneConnect's smart technologies it can serve SMEs at a faster speed and lower cost. For example, using OneConnect's AI Micro-Expression Remote Interview engine to track 39 facial micro movements, and a Smart Question module to analyse emotions in real-time, technology tracks and analyses eyeballs movement, blinking and other micro-movements in 1/15 to 1/25 of a second to detect the real emotions that a person tries to conceal and suppress. Another example would be the AI Bank Statement OCR which significantly reduces back office processing time from hours to minutes with higher accuracy and faster turnaround time, while being fully compliant with regulatory and data security requirements.

For SME customers, they can now submit loan applications on mobile phones anywhere, anytime within minutes, with only two documents – MyKad (ID card in Malaysia) and bank statements.

Building SKORKU

OneConnect has partnered with PT. Kredit Biro Indonesia Jaya, Indonesia's only licensed private credit bureau, to build SKORKU, the country's first consumer credit scoring model that uses real credit bureau data and machine learning algorithms. SKORKU launched in March 2020 to provide lending institutions with a bureau-based risk profile to assess new credit applicants, both with and without credit history, and make more informed and accurate credit decisions quicker. It has helped the lending institutions to shorten credit approval time to a matter of minutes instead of days. Compared to the traditional internal application score, SKORKU is potentially able to improve approval rate by approximately 20 to 60 per cent and reduce non-performing loan rate by approximately 10 to 40 per cent for a given approval rate. Its application can reduce costs significantly caused by defaulted loans.

Information about a borrower's demography, length of credit history, repayment patterns and types of credit are used to measure the borrower's potential credit risk and predict the likelihood of defaulting on repayments.

To help financial institutions and Indonesians cope with the Covid-19 pandemic, SKORKU is robust to have filters applied to help lenders identify and rate borrowers according to the extent these borrowers are affected by the pandemic situation. Borrowers who are less impacted will be given extended payment deadlines and reduced interest rates. This helps lenders balance its risk while continuing to serve their customers during the pandemic.

Developing the OneSME platform

A joint initiative with Singapore's Infocomm Media Development Authority (IMDA) saw the launch of OneSME, a cross-border trade platform for Singapore and China SMEs to access new market opportunities and conduct trusted business transactions. The platform went live in late August and is one of eight initiatives under the Singapore-China (Shenzhen) Smart City Initiative which is committed to driving digital connectivity and access to market opportunities in Southeast Asia.

OneSME is an all-inclusive hub that also provides access to a larger ecosystem of partners, such as data providers, financial institutions, as well as intellectual property rights advisory services, training and other service providers. All participants will be able to forge new collaborations and innovations and thrive together on the ecosystem.

Driving innovation in MENA

In Abu Dhabi, digital innovation has become a focal point in an effort to build a knowledge-based economy to support economic growth and diversification. In April, Abu Dhabi Global Market appointed OneConnect to support the development of ADGM Digital Lab to spur collaborations and innovations among financial institutions and fintech firms. TFT

About OneConnect

OneConnect is an associate company of Ping An, one of the largest insurance groups in the world.OneConnect leverages Ping An's extensive experience in financial services and exports the best of its proven and tested technologies to enable digital transformation for financial institutions outside of China. It has extensive track records and proven technologies in helping financial institutions with digital transformations, as well as expertise as both a solution provider and an operator in digital banking, lending, ecosystem strategies.

OneConnect Financial Technology Co., Ltd.

The Da Vinci Code 2.0

Collaboration leads to innovation – the Open Finance Appathon will put developers in the driver's seat of extending open banking into open finance, says ***Helen Child****, Co-Founder of* ***Open Banking Excellence***

Just a few years ago, when some of our industry's biggest stars first became household names and began commanding valuations in the billions of pounds, many commentators predicted an inevitable battle between fintechs and banks. The young upstarts of Shoreditch would rise up and steal the lunch of their fusty brethren down the road in the City.

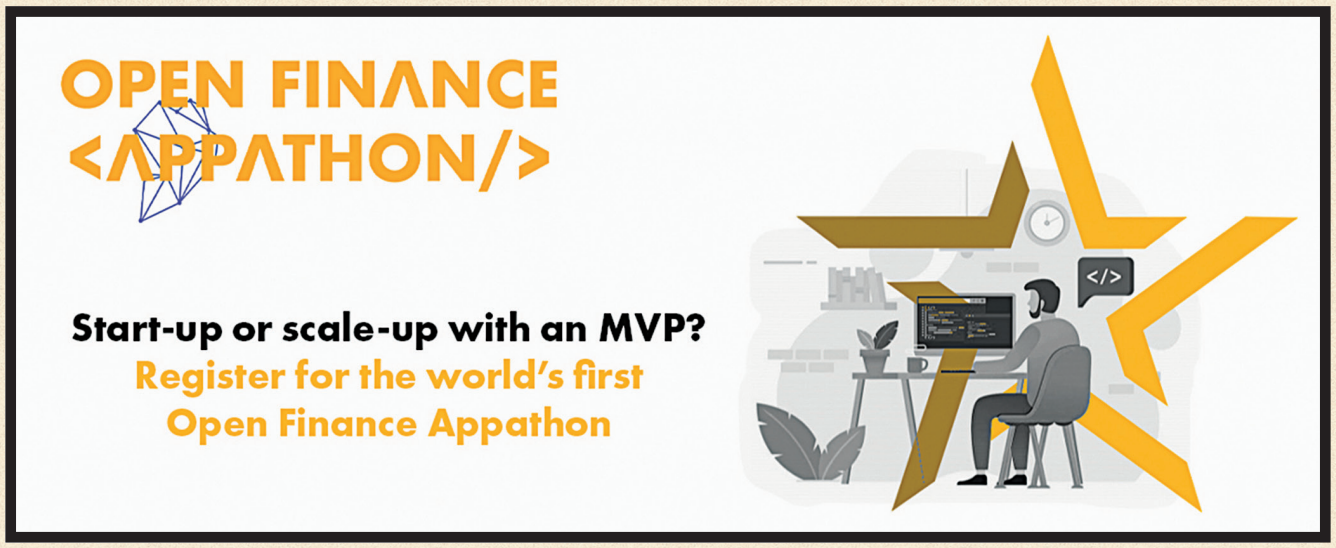
Much ink was spilled on the topic, but of course it turned out to be nonsense for the simple reason that it was in the best interests of both groups to collaborate. The banks had scale that fintechs could only dream of and fintechs had technology systems that were so advanced by comparison it seemed the banks were still using abacuses.

Healthy competition has many benefits, especially in making us faster and more efficient, but it's collaboration that makes us better, by giving new perspectives we would not have found on our own and accomplishing more than we could otherwise have. Thankfully, collaboration has become a key pillar of our industry, both in terms of fintechs working together as well as partnerships with those outside the sector.

One of the best pictures of the power of working together comes from Leonardo Da Vinci. In the late 1400s, he sketched what he called an 'aerial screw' – essentially a human-powered helicopter – where four men were needed to spin cranks at a sufficiently fast rotation to generate lift.

The aerial screw may not have made for a particularly efficient form of transportation, but it is an excellent illustration of how we can really achieve lift off when we combine our efforts.

Fast forward 500 years to 2020 and the need to pull together has never been more obvious. This is true of course at a governmental and economic level, but it is also the case for fintechs. Laying new foundations and building an ecosystem that will thrive in a post-pandemic world can only be achieved with joint effort.



> "We want to see people's innovation and ideas. We want to see how you are using our APIs and if they are solving use cases you are looking to do, and if we can make improvements."
> ***Nigel Verdon, co-founder and CEO of Railsbank***

> "86 per cent of banks are looking to adopt open APIs in the next 12 months, according to our recent research, meanwhile 45 per cent admit that the cost and time associated with research and development are barriers to innovation. Open platforms, like FusionFabric.cloud, help banks and fintechs collaborate faster, with apps becoming available to customers in a matter of days rather than months. APIs, app stores and appathons like this one give fintechs an opportunity to integrate once with leading providers and find a new route to hundreds, if not thousands of banks."
> ***Eli Rosner, chief product and technology officer, Finastra***

NEW FINTECH UNIVERSE

In open banking, the dynamic and growing corner of the fintech universe where I spent the bulk of my time, before the official term was even coined, the pandemic only serves to foster further the spirit of collaboration.

At Open Banking Excellence, the global community of open banking and open finance pioneers, we saw countless examples of people pulling together to work on solutions that offered real help in moments of real need and where larger institutions were much less agile in their response.

Take, for example, Railsbank. Working in partnership with the charitable sector, the banking-as-a-service platform took just eight days to create and launch LightningAid, an effective channel for fund distribution to the elderly and most vulnerable. And, that was all while the UK government was still scratching its head on how to get money at scale and speed to people in need.

> "The UK has set the blueprint in open banking for the rest of the world. Now it's time to showcase what open finance may look like and what it can do. By collaborating in this way, we're creating a platform for startups and scaleups to showcase their talent and technological skills, as well as to support the growth of this innovative sector through the creation of new market-ready products and services that will make open finance come alive."
> ***Helen Child, co-founder of OBE***

There's also the beautiful collaboration between TrueLayer and team Coconut, who worked together to support another overlooked socioeconomic group – the self-employed and those in the gig economy.

These stories are just a small taste of the power of joining forces, especially in moments of challenge.

Our motto is 'When great people get together, amazing things happen', and that's exactly what we have seen in the past few months.

Still, we are not resting on our laurels and there is a lot more work to be done for open banking and open finance to succeed and achieve their huge potential.

NEW MINDSET

In addition to seeing a broad mindset shift towards collaboration and away from competition, we also need to highlight the dramatic new, and much improved, realities afforded by open banking, propelling it into the broader domain of open finance.

The open finance movement is set to give consumers and businesses more control over a wider range of their financial experiences, enabling them to access and share their data with a broader group of providers who can develop innovative services that meet their needs. Open finance can transform for the better the way financial services are accessed and delivered for both consumers and businesses.

To advance the sector and demonstrate the power of working together we have partnered with Finastra, Railsbank and Yolt Technology Services (YTS) to launch the first appathon designed to power this shift towards open finance.

Sponsored by Amazon Web Services (AWS) and Mastercard, the

OPEN FINANCE <APPATHON/> FINASTRA Railsbank YTS Yolt Technology Services OPEN BANKING EXCELLENCE

competition gives startups and scaleups a unique opportunity to launch market-ready solutions that will shape the future of application programming interface (API) based banking and commerce, by enabling new capabilities in related markets, such as savings, pensions, wealth, insurance and mortgages.

NEW IDEAS

The big idea here is to go beyond ideas, to reality.

The appathon is an opportunity to take ideas and develop them into market-ready products, to support the promising growth trajectory of our sector and encourage the making of deeper and purposeful connections across the ecosystem.

There is enormous talent and many great minds in our community. Our hope though is to debunk the idea that great minds tend to think alike – in fact we think the diversity of opinion and experience among our appathon participants will result in some truly great work. Collaboration leads to innovation.

Railsbank, TrueLayer and Coconut have shown what our pioneering sector is capable of and I am excited to see the next wave of new ideas and products.

There has never been a better time than now for bright ideas.

Covid-19 has made clear that open finance is much more than a nice idea – it's a necessity. It means that any business can become a fintech, which is a truly tectonic shift in the finance landscape.

The pandemic made clear the distinction between digitised and digitally native businesses. Those who lived on the Cloud were much better prepared than those using archaic location-based systems.

And now is certainly about time we harness the very best of open banking and open finance, making it come alive through APIs.

EPITOME OF COLLABORATION

The Open Finance Appathon is a competition that offers participants a unique chance to lead the pack of open finance solutions that are being developed across the globe. Using the range of APIs and sandboxes offered by Railsbank, YTS and Finastra (via its FusionFabric.cloud platform) participating fintechs will be able to develop, build and test their own solutions. It's also an opportunity for fintechs to integrate with leading providers and find new routes to new partners.

Can I encourage you to join us? If you are a developer or product manager, please submit your solutions. We look forward to working with you and seeing your innovative ideas become reality.

The appathon is open to startups and scaleups with a minimum viable product that they are looking to take to the next level. The call for submissions is open now and will close on 30 October. Winners will be announced in November.

Meanwhile, you can watch our API Deep Dives with each collaborator on our website: **www.openbankingexcellence.org** TFT

"Open banking has boundless potential, but it needs the conditions to flourish – that's why moving towards open finance is so important. Giving both consumers and businesses the control and interconnectivity to use digitised financial information can transform the way financial services are accessed and delivered. The Open Finance Appathon embodies this aim, and YTS is pleased to be part of an initiative which will propel the move towards open finance – working together is key, and partnering with like-minded organisations shows what can be achieved when we pull together."
Leon Muis, chief business officer, Yolt

The appathon is an opportunity to take ideas and develop them into market-ready products, to support the promising growth trajectory of our sector and encourage the making of deeper and purposeful connections across the ecosystem

ENCOURAGING AND SUPPORTING **FEMALE FOUNDERS** IN FINTECH

Here's an astounding statistic. Female startup founders outperform male founders, generating 10 per cent more cumulative revenue over a five-year period ($730,000 vs. $662,000). [1] Further, The Boston Consulting Group and MassChallenge (a network of startup accelerators) examined 350 companies and found that the average female-founded startup received $935,000 in funding – under half of that awarded to their male counterparts ($2.1million).[1] Yet, for every dollar raised, startups founded or co-founded by women generated 78 cents in revenue compared to 31 cents for those founded by men.

So, it's astonishing that just one third of UK business owners are women. According to the Rose Review, this disparity represents more than one million missing businesses that could be worth a staggering £250billion to the country's economy.[2] It also highlights that if current female-led businesses chose to scale at the same extent as their male counterparts alongside new female-led businesses scaling at the same rate as men, £415billion value could be created. These numbers should not be ignored, particularly as Britain looks at how the economy can get back on its feet from 2021 onwards.

At Barclays, we believe that diversity among founders is fundamental to creating tech solutions and companies that will shape our future for the better, but female founders continue to be an underrepresented group in the tech startup world. We're committed to making things fairer for female founders and addressing the unique challenges they face.

Female founders do not lack confidence, hustle or great ideas. In the past, biases have been the issue, which in turn have caused women to lose confidence in large organisations. "As a progressive, future-looking organisation, we need to be reflective of the society in which we live," says Ben Davey, CEO of Barclays Ventures. "While we are working hard to address all different types of inequality, the 'gender gap' is one of the key areas we're focused on."

As the world has undergone unexpected and unprecedented change, this focus is more important than ever. According to PitchBook data compiled by Elizabeth Davis, investor at Anthemis, from mid-March through mid-July, the total number of US deals of at least $500,000 was down 17.5 per cent year-on-year, with angel and seed deals down 45.1 per cent and Series A deals down 55.5 per cent [3]. With only 2.8 per cent of VC funding going to female founders[4] and VCs investing in their existing portfolio companies, the gender funding gap continues to widen.

At the same time, women have had to juggle professional and personal responsibilities and have been disproportionately impacted as a result. Take childcare. As Davis highlights, there are approximately 74 million children under the age of 18 in the US alone. Balancing working from home, school closures and education needs has been challenging for everyone. Almost half (47 per

cent) of mothers' hours spent doing paid work is split between that and other activities, compared with under a third (30 per cent) of fathers' paid working hours. Researchers from University College London's Institute of Education surveyed 3,500 families and found that mothers were 47 per cent more likely than fathers to have either lost their job permanently or quit, and 14 per cent more likely to have been furloughed.

Raising capital as a founder is challenging no matter what the economic backdrop looks like, but the current environment is serving as a perfect headwind that female founders have to battle against in order to raise capital. Contributors to this effect include:

- The ramifications for home life
- The stereotypical gender norms that have ensued
- VCs focusing only on existing portfolio companies dominated by male founders
- The unprecedented nature of lockdown

Where does Barclays come in?

We know access to investment, mentoring and networks are critical in supporting the creation and growth of female founder technology companies. That's why we've developed the Female Tech Collective, our founder-to-founder network led by females to support females. Key elements of this network include a global tech community, female-focused investor networks and dedicated female-founder programmes.

As our work and lives continue to change, Barclays' efforts to support female founders have only strengthened. We're committed to creating opportunities to succeed together and we look forward to connecting with you.

Global tech founder communities Eagle Labs and Rise, created by Barclays, are ecosystems run by Barclays Ventures designed to support innovation and entrepreneurial growth through business incubation, workspaces, events, mentoring and a wealth of other resources.

Supporting ecosystem members remains critical for us. Our digital channels carry a range of articles and virtual events to help startups continue to innovate and scale, and we're expanding our virtual support by experimenting with new digital channels and online communities to ensure that founders can continue to engage with us, access support, learn and collaborate.

Female-focused investor networks

We've partnered with Angel Academe, a fast-growing and award-winning angel investor network who invest only in women led tech businesses. Our partnership gives female founders within the Eagle Labs and Rise community the opportunity to apply for investment and be fast-tracked through to the screening process.

We have also teamed up with AccelerateHER to offer specialist, one-to-one mentoring sessions with female angel investors. AccelerateHER is a network that believes in female founders and helps to support them on their entrepreneurial journey. One hundred ambitious female founders in our ecosystem now have the opportunity to access digital mentoring from angel investors with a wealth of experience across a variety of sectors. In addition, we're delighted to have become the official banking sponsor of the AccelerateHER Scotland Awards 2021.

Sonal Lakhani, head of programmes and strategic initiatives at Barclays Ventures says: "Angel investors are critical to the startup ecosystem and can provide a wealth of experience and connections alongside seed money. Choosing the right angel investors is key to the growth and success of your business. It is a long term relationship and you want to bring on board the type of investor that understands your business, your industry sector and provides the right network for you as a female founder. By partnering with both Angel Academe and AccelerateHER we want to make it easy for our members to access the expertise that these networks provide and empower our female founders with additional funding choices."

To find out more and apply for mentorship, access to investor networks and dedicated events to support you on your entrepreneurial journey, visit us at **https://rise.barclays/female-founders/helping-female-founders**.

Dedicated female founder studio

Turning your idea into a reality

In 2019, Barclays – in partnership with the fintech investment firm Anthemis – created the Female Innovators Lab, a New York City-based venture studio dedicated to cultivating entrepreneurial talent in women from all sides of the financial services ecosystem. The Lab's mission is to identify female founders at the idea stage of their journey and match them with the resources and mentorship required to develop a company and bring it to its first round of fundraising.

The Lab allows us to directly address the headwinds female founders are facing and begin to bridge the revenue-funding gap. The Lab empowers women to disrupt, challenge and confront the way things are done in finance and pioneer new technology through their startups. The combination of Anthemis' track record as early-stage fintech investors and venture builders, coupled with the power and global footprint of Barclays, makes this an exceptional opportunity for prospective founders to progress their business ideas. Barclays also provides workspace for companies at Rise, New York.

There is no formal application process and enquiries are accepted on a rolling basis so, to find out more, visit us at **https://rise.barclays/female-founders/programmes/female-innovators-lab.**

Female Innovators Lab
By BARCLAYS and anthemis

FOOTNOTES

[1]bcg.com/publications/2018/why-women-owned-startups-are-better-bet.aspx

[2]https://www.gov.uk/government/publications/the-alison-rose-review-of-female-entrepreneurship

[3]https://medium.com/anthemis-insights/why-driving-capital-to-female-founders-is-even-more-important-since-covid-19-86fc321a7b

[4]https://techcrunch.com/2019/12/09/us-vc-investment-in-female-founders-hits-all-time-high/

More about **Eagle Labs** and **Rise**

rise

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In for the long haul

Angela Yore and **Kimberley Waldron**
– Co-founders of SkyParlour

Why sustainability is key to making waves in a post-pandemic fintech industry

While perhaps everyone wishes they could have a break from the Covid-19 narrative that's dominated 2020, the fact is the fintech industry has experienced a dramatic shift during the pandemic.

And, if there's anything a global crisis is good for, it is putting things into perspective. The pandemic has forced us all to question what we do and why we do it. Now all industries, including fintech, are considering how they can move forward while prioritising profitability alongside other issues, such as sustainability and relatability.

Marrying all these factors is a careful balance at the best of times, but identifying how to do this, delivering on that promise, and then communicating about it effectively is the real challenge for fintech businesses at all stages of development during the Covid-19 crisis.

In fact, it's interesting to note that many of the fintechs that have been successful during this time have made the customer, or end user, the hero of their story. For example, Starling created its 'Connected Card' for consumers who were self-isolating – a second card that customers can connect to their existing account and give to anyone they trust to pay for groceries and other essential items on their behalf.

Essentially, living by values linked to social responsibility and corporate citizenship during the crisis have already made a profound impact on the fintech industry. And this change-for-the-better will have a lasting positive effect on the world, helping to tackle issues, such as financial and digital inclusion. With nearly one third of adults – 1.7 billion people – still unbanked, these issues have never been more pressing.

From free advice, to cancellations or waiving of transactions fees, to donations to non-profit organisations and hospitals, to never-before-seen customer-centred products. This might the beginning of a new industry behaviour where the needs of the community are becoming the business priority.

On the flip side, these seismic societal changes by nature demand more accountability from business communities to make good on their promises and especially to justify the high levels of investment still entering the market, despite a slight decline since the end of quarter one.

All this goes to show then, why fintech has been so specifically in the spotlight during the global pandemic. The primary focus and role of the industry – the management and movement of money – has become a vital part of keeping societies and economies running. But because of pandemic, the global fintech market has used the adjustments required as an opportunity for self-reflection, with both businesses and the industry media taking stock and looking back on the successes and learnings, investments and valuations, as well as the winners and the casualties.

Perhaps most importantly, open discussions about creating long-term sustainable business models – supported by profitability, not just by external investment – are becoming more common. In turn, this has inspired a closer inspection of the relationships between the main divisions of fintech, such as payments, digital banking, and lending – and where each of these fits in with long-term consumer or customer lifecycles.

> Covid-19 has shifted the focus away from purely customer acquisition, creating a pressure for these fintechs to prove that they are sustainable in the long term

According to KPMG, the global fintech sector has attracted almost half a trillion dollars of investment since 2015, with neobanks, or challenger banks responsible for most of this. However, as this article by *inews* states: "The focus for many, however, both on the investor and investee side, has been on growth, with profits viewed as more of a long-term goal."

Covid-19 has shifted the focus away from purely customer acquisition, creating a pressure for these fintechs to prove that they are sustainable in the long term. For example, while some high profile fintechs have grown quickly and become a trusted part of the financial services chain (such as Tide and Starling et al, who received licences to distribute the coronavirus Bounce Back Loans), many have still struggled to prove their long-term sustainability, reminding us of the age-old fable *The Tortoise and the Hare* and begging the question – is slow and stable more likely to win the race?

As a result, what and how fintech businesses at different stages need to communicate has changed, especially to attract the right level of investment and the right kind of customer. That's why SkyParlour is expanding its offering to meet the demand for a more nuanced form of communication. After all, as *The Independent* recently stated: "Fintech is a true UK success story – it is now up to all of us to ensure it remains so."

Ultimately, communication for communication's sake is of very little use. More than ever, fintechs need to cut through the noise and make it clear why they're here for the long haul. The fact that the fintech industry has received such significant investment in recent years only proves this point further, as new disruptors have arisen to challenge the challengers, meaning sustainability is now indicated by the uniqueness of your proposition. For example, according to *EU-Startups*: "One startup willing to stand out is Bux, which recently launched a new cryptocurrency platform with zero commission."

It might sound obvious, but good positioning around a specific niche underpinned by a compelling PR and marketing strategy are how you represent your business to the world, giving you the opportunity to communicate your mission and values to an investor-driven industry. With this in mind, SkyParlour has broken into three divisions to both advise and support the fintech market. These are:

SkyParlour Started

Started is a PR and marketing programme designed for world-changing tech startups to help them communicate their proposition, purpose and values, in order to get to the vital next stage of funding, product development, organic growth, or stakeholder engagement.

SkyParlour Scale

Scale works with the world's most ambitious fintechs from series B to large enterprises to help them communicate with purpose and passion and achieve their most important goals in new and innovative ways. Scale combines research, PR, social, content and events into original campaigns to attracts sales and amplify brands with their chosen audiences.

SkyParlour Consult

Both the above divisions are underpinned by SkyParlour Consult which has been established to provide fintechs with the understanding to weave their purpose into their comms strategy and help identify their destination amid a wealth of options, with a marketing strategy to help get them there.

In a crowded fintech landscape, differentiation is fundamental for breakthrough. That's why we have carefully created SkyParlour Started, Scale and Consult with the depth, quality and insight that's key to helping fintech leaders propel their businesses to success while baking-in the principles that matter for a better society.

Fintech is on a truly exciting upward curve, but it's not enough to ride the wave – fintechs with the long term in mind must make their own waves. And, as the direct voice of the company and its leaders, PR is vital in putting a spotlight on the viability of the business and helping you establish why, in this current market, your proposition is relevant.

Of all the lessons to emerge from the Covid-19 pandemic, the fact that business and citizenship are not separate entities is paramount. Corporate citizenship is what has enabled some fintechs to stand out in 2020, and others to fall behind.

So, to find out how SkyParlour can help your business identify its unique proposition and stand out from the crowd, visit: **www.skyparlour.com** TFT

About SkyParlour

SkyParlour is a communications agency for international fintech, payments, cybersecurity and e-commerce industries. We are committed to producing meaningful, content-based campaigns that drive positive engagement for our clients – from industry stalwarts to the latest challengers. Our services include brand strategy, PR, media relations, multimedia content creation, brand development and crisis communications Based in the UK with a global network, we have amplified tech brands across the UK, Central Europe, Australasia and North America for more than a decade.

Website: www.skyparlour.com
LinkedIn: www.linkedin.com/company/skyparlour
Twitter: @SkyParlour

SkyParlour

Payment modernisation

As we progress towards building a digital payments ecosystem, there's much activity on the go, and it's happening at a reasonably fast pace. So, are we nearly there yet? No, but we're on the road, and it's an exciting journey

Marcus Hughes, Head of Strategic Development at Bottomline

Let's get Covid-19 out the way. We all agree that the primary impact of the pandemic is accelerating the process of digitisation: real-time information, digital payments, application programme interface (API) driven data exchange and e-invoicing. New process adoption is occurring at a faster pace than ever before. Working from home as the 'new norm' also heralds radical change. This changing world fits perfectly with the growing importance of digitisation, and technology is pivotal in making this new way of working easier, less manual and more secure.

Notwithstanding the pandemic, other payments initiatives are making waves.

Across multiple market infrastructures, ISO 20022 will transform the way we pay and get paid, offering greater interoperability and enriching data for granular analytics and easier reconciliation of inbound payments. The good news is, it is globally accepted as the best way to standardise and modernise payments and financial messaging. The bad news? Migration to the new standards requires intensive preparation with deadlines looming. However, banks are likely to choose a multi-phased migration approach.

The most imminent deadline is SWIFT's mandate that any financial institution handling SWIFT messages be able to receive and process ISO 20022 by the end of 2020. That's weeks away. Other deadlines include the migration from Target2 and EURO1 legacy messages by November 2022, the US Fedwire and CHIPS migration in 2022, the UK CHAPS real-time gross settlement (RTGS) migration in 2023, followed by the rest of the world before the end of 2025. Due to preparation struggles by many banks, SWIFT has delayed the ISO 20022 global migration of cross-border payments and reporting to 2022, creating a smaller window to become compliant by the final 2025 deadline.

ISO 20022 will lead to more flexible, richer messaging, which is highly valuable for banks, businesses, and consumers. By 2025, it's predicted that ISO 20022 will support nearly all the high-value global payments.

Another significant trend, using ISO 2022 standards, is the rise of real-time payments. Although some countries are further ahead than others, the need for speed and meeting consumer and business expectation is driving rapid adoption.

Currently, more than 60 countries are live with real-time payment schemes, or due to launch imminently. Real-time payments transaction limits continue to encourage business adoption, helping to drive the predicted growth rate of 40 per cent between 2020 and 2024. Real-time payments provide a genuine alternative to traditional payments, such as automated clearing house (ACH), RTGS or cards.

Real-time payments are the key enabler for open banking/ the second payment services directive (PSD2). In particular, its payment initiation services run on real-time rails, but also, the use cases for Open Banking and the digital economy require transactions to be instant, secure and straightforward, with frictionless and intuitive user experience. For banks and regulated fintechs looking to access Faster Payments, there are a multitude of software-as-a-service based technologies for 'directly connected settling participants', 'directly connected non-settling participants' or indirect participants looking to access Faster Payments under the sponsorship of a partner bank already using our platform. The 'rapid go-live' of the latter avoids the delays, costs and bureaucracy of becoming a full scheme member.

> Considered the next big payment innovation, the perception of open banking has shifted from a compliance challenge to a commercial opportunity

Historically regarded as less efficient and slower than domestic payments, another trend to highlight is the extensive innovation in cross-border payments.

SWIFT's gpi (global payment innovation) initiative is fast becoming the new norm in cross-border payments, where banks can now track their payment flows end-to-end, in real-time. In fact, 78 per cent of SWIFT cross-border payments – to the value of $77trillion in 2019 – are sent via gpi. SWIFT's new gpi Instant is also gaining traction and operational between any two gpi members using the gpi Instant payment service. The future large-scale adoption of gpi Instant will depend on how soon domestic real-time payment systems support cross-border transactions. SWIFT's already held successful trials with Australia, Singapore and Europe's real-time payment systems.

Another major player is Visa. Beyond the advantage of sheer scale, Visa's new B2B Connect solution includes integrated foreign exchange settlement, offering competitive rates and a revenue share for participating banks. This is different to SWIFT which only handles the payment-related message but doesn't manage FX conversion or settlement. Another advantage is it enables banks to reduce trapped liquidity in nostro accounts, allows participant banks to use incoming settlements as liquidity for outbound payments on the network, and can send payments to businesses whose banks are not yet using B2B Connect. The solution has great potential as an alternative and complements SWIFT messaging in cross-border payments.

Finally, let's reflect on open banking

Considered the next big payment innovation, the perception of open banking has shifted from a compliance challenge to a commercial opportunity. An encouraging transition.

Having a controlled head start, the UK has led the development of APIs and open banking. To date, several UK fintechs and banks have launched multibank account aggregation apps, allowing customers to view accounts with other banks. We've also seen online lenders access bank balance and transaction data on people or small businesses applying for loans, so they can make better and faster credit decisions. Just recently, banks and fintechs have begun to offer payment initiation services.

A challenge for open banking today is the lack of common API standards, which has resulted in an increase in competing API aggregators, aimed at simplifying account access for banks and fintechs.

The next phase will be to offer next-generation open banking applications that do more to help customers manage their business better, like optimised working capital management, faster cash collections and automated cash allocation.

There are many more exciting payments initiatives emerging globally, all aimed at making payments quicker, more transparent, easier to manage, with enhanced user experiences. Although these initiatives take time, this mass innovation focuses on making it easier for businesses to pay and get paid. More insight into this and other initiatives can be heard on the Payments Podcast (https://soundcloud.com/thepaymentspodcast). TFT

Maximising potential for PFMs

It's time for personal financial management apps to truly reap the rewards of open banking

Leon Muis, Chief Business Officer at Yolt Technology Services

Personal financial management (PFM) apps and software providers were among the first to invest in the promise of open banking when the regulation came into effect in 2018, seeing it as a way to expand their offerings, increase accessibility and improve functionality. Indeed, many PFMs are constructed on application programming interface (API) technology, allowing people to see what they spend, where they spend it, from a number of their bank accounts and other financial products, in one central place. As such, open banking is naturally conducive to what PFMs aim to achieve with their customers.

The strong relationship between PFMs and open banking was reflected in our recent study of 1,000 professionals from banks, lenders, retailers, and PFMs. Sixty-eight per cent of PFMs surveyed, more so than any other sector, stated they had invested in at least one form of open banking technology – be that aggregation, payments, or data enrichment. For PFMs using open banking, 91 per cent say it is a core element of their strategy moving forward.

However, despite higher levels of adoption, almost three in ten (28 per cent) PFMs surveyed in our study incorrectly identified open banking as legislation that provided access to customers' account information without consent, a figure higher than the survey average. It does not and, as such, misunderstandings among PFMs towards open banking are concerning, given the crucial role they play in the open banking ecosystem.

Many people find managing their finances a challenge, and PFMs are designed to help them do this is a more accessible and faster way. The ability to do so has become particularly pertinent during the Covid-19 pandemic, as consumers have been forced to access their finances digitally – rather than going into their local branch – and may have experienced changes to their income, expenditure and employment. For example, use of banking apps is estimated to have increased by a third between March and April, while high street bank TSB's app trebled in usage during lockdown. More than half of UK consumers now regularly use mobile money management apps, according to a recent survey from the Open Up 2020 Challenge.

Inevitably, consumer expectations and demand for PFMs will grow as more people start to rely on them for the bulk of their financial planning. PFMs will need to rise to the challenge by enhancing their own services to cope with the added demand and expectations. Open banking is perfectly placed to not just grow the user base and market further but also improve performance.

Helping out

Open banking contains three core components: account information services (AIS), payment initiation services (PIS), and data enrichment. AIS and data enrichment is the most helpful for PFMs, with PIS also playing an important role.

AIS allows PFMs to automatically draw in account data, allowing them to categorise, analyse and monitor income, bills and spending, to the benefit of their consumers and businesses. They draw this information through API connections between banks, building societies and any other institution holding customers' financial information. The value of AIS to PFMs was highlighted in our survey, which found that almost eight in 10 (77 per cent) PFMs currently using open banking products and services used AIS.

Following this, data enrichment allows PFMs to fully utilise the information once they have it, giving consumers the insights, control and personalisation, they want. The personal financial picture of each user can be painted through data enrichment, all in real time. For example, it's data enrichment that can show the customer they went £35 over budget last month on entertainment. Data enrichment can also power both categorisation and budgeting, two fundamental features of a PFM, and something that consumers will be looking for as they potentially look to tighten up their finances during the pandemic.

> The increasing demand for, and expectation of, PFMs during the pandemic will require faster and more personalised solutions in response and using open banking services can take PFMs to a new level

Despite this, data enrichment adoption amongst PFMs remains patchy. In our survey, only 32 per cent of PFMs using open banking services and products used data enrichment, a low number given that AIS and data enrichment should come hand-in-hand for PFMs to provide the best picture for consumers.

Even PIS has a higher adoption rate amongst PFMs despite its lesser importance to the core model, with 55 per cent of those who used at least one open banking service adopting them in our survey. That being said, PIS has the potential to elevate PFMs to a new level, helping to give users complete control over their finances while accelerating the rate of adoption. PIS is a new, secure way to move money, and can give users the option to move money between accounts, pay friends and family, and pay their bills from the PFM platform.

PIS can be the final piece of the puzzle towards changing the way people interact with financial services.

Home comforts

Given all of these benefits to open banking, there will be questions about why adoption isn't at 100 per cent. There are, however, still reasons for PFMs to hold back from open banking technology.

PFM solutions predate the arrival of open banking APIs by decades, with many providers already having large user bases. As such, solutions were required to gather users' account or spending data. Before open banking, manual entry, using Excel or screen scraping – automatically extracting on-screen data from the bank's online banking page or app as raw text to be used in the PFM – were popular methods employed by PFMs. With the latter soon-to-be outlawed in Europe, open banking solutions must compete with the pen and paper and Excel, for market share. Thankfully for consumers, open banking API connections offer a faster and more reliable way to gather and aggregate data, meaning adoption by PFMs is now only a matter of time.

To date, the uptake of open banking by PFM providers and consumers has been restricted by limitations of its scope. The CMA's order in the UK and second Payment Services Directive (PSD2) in mainland Europe rule that banks must develop APIs for payments accounts only, generally current accounts and credit cards, leaving most savings accounts and others, outside the scope. As a result, many PFMs continue to use the traditional methods as a viable alternative to collate data.

It's no surprise, then, that the most common reason given by PFMs for not investing in the technology was that it was too early to do so (35 per cent). But, as the technology matures and available APIs increase, this argument against prematurity will naturally fade. The technological advancements seen in AIS and PIS will convince more PFMs to adopt the technology that historic methods can't match.

An explanation for the low data enrichment adoption levels gathered in our survey may also be due to differences of interpretation when it comes to open banking 'products and services' by PFM developers. Many developers build open banking technology in-house when connecting to bank's APIs for AIS, rather than buying from third parties. As a result, they may not consider their in-house developments as 'products and services'. And, with core account information gathering more likely to be developed in-house but additional services facilitated by PIS outsourced, this may well account for the finding.

Looking forward

The debate over whether to move forward with in-house or outsourced services is likely to be a central issue for PFMs going forward. A sign that things may move towards outsourcing is that improving efficiency (47 per cent) and reducing transaction and business costs (46 per cent) were the top two benefits of open banking identified by PFM professionals in our survey. Given the current climate, reducing costs and improving operational efficiency will surely become even more crucial and, with service providers able to deliver AIS and PIS services cheaper and with more agility, more PFM providers may be persuaded to sign up.

As the technology matures, so too will the understanding and trust of PFMs to see the technology as something that benefits them, rather than poses a threat. Alongside this, the argument for using alternative methods, such as screen scraping and Excel, will diminish as new regulation comes in and consumers turn their backs on the outdated practices.

The increasing demand for, and expectation of, PFMs during the pandemic will require faster and more personalised solutions in response and using open banking services can take PFMs to a new level. Through AIS, PFMs can gather and aggregate more consumer data than ever before, while data enrichment can take that data and outline how to personalise offerings for consumers. In a period of heightened expectation, this will give the PFMs that do fully embrace open banking the competitive edge they may need. PIS can also fit in as the icing on the cake, allowing consumers to pay straight from the PFM itself and meaning they see it as much of an essential financial tool as they would a debit card.

While many PFMs already use one or two of these services, combining all three ensures that they're maximising the potential of open banking for their own and customers' benefit. If the entire sector follows this approach, then the PFM market and user base will surely continue to grow at a fast pace. TFT

About Leon Muis

Leon Muis is CBO of Yolt Technology Services – the leading open banking provider in Europe, building, managing and maintaining AIS and PIS connections for top financial institutions and ambitious tech businesses. Leon was instrumental in the launch of open banking in the UK in 2018, working closely with the Open Banking Implementation Entity and the FCA to assist in the launch the initiative.

As one of the four founders of the leading smart money app Yolt, Leon moved on to oversee the development of Yolt's latest open banking technology proposition, YTS, which in January 2018 became the first ever third-party provider to successfully make an open banking API call. Prior to joining Yolt and later the Yolt Technology Services division, Leon worked as a technology & strategy consultant for ING and has vast international banking and technology experience having previously worked as a senior consultant at ING and Fiserv.

About Yolt Technology Services

Yolt Technology Services unlocks its open banking expertise to other organisations through a single and secure API – building, managing and maintaining AIS and PIS connections for top financial institutions and ambitious tech businesses. Yolt Technology Services is available throughout Europe and makes, on average, 26 million API calls each week.

Website: https://yts.yolt.com

LinkedIn: www.linkedin.com/company/yolt-unthink-money

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From crisis to recovery

Why financial institutions are banking on cloud-native technology to stay competitive

Digital banking has exploded. Fuelled not only by growing digital confidence, technology advancement and new, agile challenger banks but also a global pandemic creating an almost overnight shift in how both businesses and consumers move money.

Pre-Covid-19, digital transformation was already gaining importance among UK and European banks as a strategic necessity to compete on a level playing field, ensure resilience and scale while lowering costs. As the world faces a new set of challenges and a new normal, accelerating these transformation agendas is now critical.

In the past few months there has been a huge movement to the use of cards and account to account payments. According to the recent EY Future Consumer index, 62 per cent of consumers said they will use less cash in the future and 59 per cent expect to use more contactless payments going forward.

This means more pressure for banks and regulated fintechs to deliver the infrastructure, applications and security required to maintain world-class digital payment experiences for their customers. And not just looking at digital transformation from a product-delivery layer or as a process cost-cutting exercise, but the complete end to end journey for customers – the payment initiation, the processing layer, clearing and settlement and reconciliation and notification. Leveraging technology to underpin every process from the front end to the back-office processing powerhouse needs to be future proof, cost efficient and scalable on demand. More importantly, it all needs to happen in a matter of minutes or even better – in real time.

> The obvious benefit from using new technologies to manage regulatory data is better efficiency, but there are other benefits as well

The ability to create an online account in just three minutes or make a payment in seconds is now expected compared to waiting a few hours or days in the recent past. But digitising traditional manual processes or redesigning them to make experiences more intuitive and responsive only goes so far if the core infrastructure is creaking at the seams to cope. Financial institutions must instead start by assessing their core back-office infrastructure – the engine that makes it all happen.

Payment processing is a high stakes operation and is becoming more so as we move towards real-time processing and rapidly growing volumes. There has never been a better time to partner with a specialist fintech to deliver a complete, end to end, 24/7 managed service in the cloud.

Harnessing open APIs to gain a competitive edge in the open banking landscape

Adopting a payments-as-a-service platform (PaaS) significantly lowers capital expenditure when compared to managing and maintaining expensive and rigid on-premise systems. It also lowers operational risk as the constraints of legacy internal IT systems are removed through the agility enabled by a cloud-based PaaS.

Moving your payments infrastructure to a fully managed service in the cloud offers many advantages including:

- Connecting to global payment schemes via a single application programming interface (API) with 24/7 operational support and continuous adherence to scheme rules. No need for your operational teams to service different schemes, it's all done for you.
- A multi-tenanted environment with continuous updates means that all customers have access to the latest functionality and security updates as well as ensuring a rapid response to incidents due to the homogeneity of the codebase.
- New applications can be created and deployed to market quickly without the need to spend time and money building and maintaining an infrastructure that includes servers and databases.
- The entire end to end journey of a payment is managed for you so there is no hardware, no software, no maintenance and no downtime.
- As a fully managed service, scaling is automatic as payments and volumes are constantly tracked to ensure capacity is always available, so the service adapts as your business needs grow.
- Payments-as-a-service platforms are being adopted by both Tier 1 banks and regulated, fast growing fintechs across Europe to ensure future resiliency, business agility and scalability as they expand into new markets, develop and deploy new propositions and look to improve the customer experience.

A modern, 'everything instant' digital world needs next generation payments and technology innovation. It makes perfect sense to rationalise payment processing into a single, integrated platform. Integrate once and access multiple payment schemes through the same API. This removes the need for custom applications and many different messaging formats in order to access central payment infrastructure. Harnessing open APIs helps standardise and simplify payments processing to create a strong foundation to deploy new products quickly, streamline operations and lower costs. A cloud-native platform further ensures the highest levels of security so that you can lower operational risk by removing the infrastructure burden.

Through outsourcing payments infrastructure efficiently at speed and scale, financial institutions are simply able to devote resources to servicing their customers better. TFT

LendIt Fintech hosts the biggest virtual fintech shows of 2020

Industry experts from the leading traditional banks, fintech platforms and tech companies to discuss innovation in lending and digital banking at annual events

The world of financial services has been turned upside down by the pandemic. Fintech has been front and centre as the financial services industry has responded quickly to these changes. But the changes have only just begun, and we all need to gather at this critical juncture to learn, collaborate and do business. This is why this year's editions of LendIt Fintech USA and Europe will likely be our most important events ever.

LendIt Fintech USA takes place this week and all signs post to a successful reimagined event experience. We know that many of you attend LendIt Fintech to meet with the people who matter to your business. With that in mind, this is where we have put in the most effort, making this virtual event better than any in-person event we've ever produced. Networking opportunities include one-on-one meetings via our app, Networking Roulette – where you are paired by an algorithm – and Overtime, where you can participate in lively discussions with your peers at the conclusion of each track. Not happy to stop there, we also have the Women in Fintech Power Hour where our female attendees can connect with fellow female fintech leaders.

LendIt Fintech USA 2020 features more than 150 sponsors and exhibitors with great ideas to propel your business. At each virtual booth you can gather product information, chat with company reps, engage in in-depth discussions, view videos and more. We also have a fun competition for attendees where you can become a LendIt Fintech All-Star. The most engaged attendees can win a new iPhone 12 Pro, Airpods and free memberships to LendIt Fintech Digital.

We have completely retooled our agenda in the last three months and I can confidently say it is our best and most relevant ever. Learn what some of the biggest names in the industry are thinking about today and how they are taking their companies forward. Here are some of the highlights:

LendIt Fintech USA 2020 features more than 150 sponsors and exhibitors with great ideas to propel your business. At each virtual booth you can gather product information, chat with company reps, engage in in-depth discussions, view videos and more

- **Stephanie Cohen** – chief strategy officer at **Goldman Sachs**: a leader at one of the biggest names in finance, Stephanie will share the Goldman philosophy of when to buy, build or invest when it comes to new initiatives. She will talk about their approach to diversity and their takeaways from dealing with the pandemic.
- **Anthony Noto** – CEO of **SoFi**: with competition heating up from banks and other fintechs, the CEO of SoFi will share his vision for where fintech is going and how SoFi will maintain its leadership position in the industry.
- **Zach Perret** – CEO of **Plaid**: Plaid has been at the epicentre of fintech for years and has been an enabling force for banks and fintechs this year as the world has shifted dramatically to digital. But we are just seeing the tip of the iceberg and Plaid has a vision of moving fintech beyond financial services.
- **Angela Strange** – general partner at **Andreessen Horowitz**: the world's three billion underbanked people have been largely ignored during the first phase of fintech but there are many companies getting traction today with creative products addressing this population. Angela will be talking with fellow VC luminary Matt Harris of Bain Capital Ventures about real solutions for the underbanked.
- **Steve McLaughlin** – CEO of **FT Partners**: many of the most important fundraising and acquisition deals in fintech go through the doors of FT Partners. Steve will share how to position your company for M&A today, what has changed and what steps entrepreneurs can take to maximise their chances for financial success.

The reality is that there are many advantages to attending a virtual event, not the least of which is cost. You can experience the best of what has made LendIt events so popular, all from the comfort of your home office.

This model will also come into play for LendIt Fintech Europe, taking place 19-20 October. Early keynotes confirmed for the European edition include **Charlotte Crosswell**, CEO of **Innovate Finance**, **Lisa Jacobs**, UK managing director of **Funding Circle**, **Sunil Chandra**, CEO of **OakNorth**, and **Anne Boden**, CEO of **Starling Bank**. They'll be joined by 150 speakers to cover topics, such as 'Digital Banking Goes Mainstream', 'The Resilience of Online Lending', 'Cutting Edge of Fintech' and 'Regulation & the Maturation of Fintech'. After LendIt Fintech USA on 29 September to 1 October, join us for LendIt Fintech Europe on 19-20 October. To stay up to date with the latest LendIt Fintech Europe updates, go to **www.lendit.com/europe**. TFT

LendIt Fintech USA

Heading towards an API economy

***Aleksi Grym**, Head of Digitalisation at the **Bank of Finland** discusses how new technologies will determine how financial services will be delivered in the future*

While we tend to speak of collaboration in the fintech ecosystem mostly in terms of banks and fintechs, supervisors and central banks have a large role in improving partnership models in the fintech ecosystem.

The Fintech Times guest editor **Devie Mohan** chatted to Aleksi Grym, head of digitalisation at the Bank of Finland, on the future of suptech and regtech and how the bank is viewing transformation through partnerships.

How do you think regulatory technology (regtech) can help regulators, supervisors and central banks?
Regulators are handling vast amounts of data emanating from regulatory reporting. The volume of this data has grown to such proportions that automation and more intelligent ways to process it has become a sheer necessity. The obvious benefit from using new technologies to manage regulatory data is better efficiency, but there are other benefits as well. New tools can help reduce errors, keep the data safer, and to spot anomalies.

What is your view on how effectively regtechs are collaborating with banks today?
It is well known that old incumbent banks and new agile fintech startups have very different corporate cultures and a different mindset for developing new solutions. It's a similar story in regtech. Although there are mutual benefits, and both regtechs and banks can for sure learn from each other, there are also challenges in how to work together and how to find a good fit between the different cultures. It's a learning process for both sides.

What are some suptech (regtech firms used by supervisors) use cases that you have observed in the market that will be transformative?
Transformative is a strong word. One has to remember that managing data has always been a core activity of supervisors and regulators. The new regtech and suptech tools that are emerging will help make incremental improvements, but we should not expect some kind of big bang moment that changes how things are done. It's continuous, hard work to keep improving the tools, methods and platforms that are being used, while at the same time making sure the data is secure and accurate. Technologies that have proven useful in other domains, such as cloud computing, real-time processing and data visualisation, are gradually making their way also into supervisory work.

> The obvious benefit from using new technologies to manage regulatory data is better efficiency, but there are other benefits as well

Have you used any regtech solutions at the Bank of Finland? What benefits/ changes have you observed with the implementations?
We are currently working on improving our data management capabilities on several fronts. It's not just a matter of setting up a new platform, although that's an important part of it. We are also reviewing the desktop tools that individual analysts use and making sure everyone's skills are up to speed. I have been particularly impressed by what can be achieved using data visualisation techniques and how motivated people are to learn those new skills. We set up an internal user community for sharing and learning, and it has worked incredibly well.

What trends do you think will define the future of regtech, in both the short term and the long term?
We are moving towards an application programming interface (API) economy. Direct access to data resources, real-time data processing and effective utilisation of APIs are defining how this type of work will be done in the future.

So far, we have only seen the initial steps in building a financial industry based on open banking and the same kind of development will also continue on the regulatory side of the landscape. TFT

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JOBS IN FINTECH

The Fintech Times selection of TOP fintech jobs this month at www.thefintechtimes.com/jobs

Business Development Exec, Toronto or Remote at boss INSIGHTS

Boss Insights offers business data as a service. We bridge data gaps between businesses and the financial institutions that serve them. Awarded the CLA Top 25 Executive Leader in Lending, we've secured clients, partners and have been fortunate to be covered by Bank Innovation, American Bankers Association, The Financial Brand and Forbes. We're a highly focused fintech providing a game-changing platform to banks, credit unions and private lenders. If everyone in financial services says that 'data is the new oil', then Boss Insights is the drill. Our platform is forward thinking and a cutting-edge technology product that is badly needed in the financial industry.

Boss Insights is looking for an ambitious and energetic B2B SaaS Business Development Executive with experience in early fintech sales to work closely with management and to be part of a fast-paced, growing team.

THE RESPONSIBILITIES

- Identifying and building relationships with key US lenders, including banks, credit unions, alternative lenders and industry associations
- Create a process-oriented sales strategy by listening to the customers, analysing their needs and developing the right solutions
- Act as the primary point of contact for customers managing expectations through the implementation and onboarding process
- Be a brand ambassador and thought leader providing Boss Insights on current deals and help to problem solve barriers with a broader goal of affecting positive change in the private investing space
- Provide learning and collaborate to grow the business achieving target sales results, you will contribute to scaling Boss Insights quickly, driving market growth

THE BENEFITS

- The base pay is competitive, no cap on commission and there's opportunity for equity depending on the level of your experience and industry knowledge
- For those who achieve sales results equity options are available
- Flexibility. This role is flexible and can be remote when needed
- The opportunity to make a mark
- We promise innovation and openness

ICG Innovation & Business Development, Managing Director, Business Development at citi

The ICG Innovation & Business Development team is responsible for understanding and articulating the ICG growth strategy, and working with business and functional partners to implement those strategies. Key to these efforts is identifying new sources of growth and the actions and resources required. For strategically relevant cross-business efforts, the team is responsible for executing partnerships, JVs, investments and/or new product development.

THE ROLE

The Head of Business Development (BD) will work closely with the Head of Innovation & Business Development to support the growth and profitability of Citi's Institutional Clients Group. The successful candidate for this high impact role requires expertise in negotiation, relationship management (internally and externally) and people management, as well as having astute financial acumen and an exceptional understanding of wholesale banking and digital commerce. The individual will provide leadership and expertise on informing, solving and driving the execution of the most critical strategic partnerships and negotiations for the Institutional Clients Group.

THE RESPONSIBILITIES

- Work with the Head of Business Development to prioritise strategic objectives against partnership, joint venture and M&A opportunities
- Complete 2-4 franchise wide partnerships per year
- Develop and manage a small, high-performing team to work across business lines
- Oversee key analysis and support for negotiations
- Lead or assist in potential partner meetings and pitches, providing strategic advice and proposals
- Analyse prospects by gathering information about growth, competitors and market share possibilities
- Work with product specialists and subject matter experts across the bank

THE REQUIREMENTS

- Superior relationship management skills and experience with senior client executives
- Demonstrated success in managing internal and external partnerships
- Successful track record of executing deals
- Prior P&L management, strong financial acumen and analytical skills
- Ability to lead cross-functional teams
- Analytical and conceptual thinker with ability to operate in 'white space'
- BA/BS required, MBA preferred / JD (legal) background an advantage

Product Owner, London at Bottomline

Bottomline is at the forefront of digital transformation. We are a growing global market leader uniquely equipped to address the changing needs of how businesses pay and get paid. Our culture of working with and for each other enables us to delight our customers. We empower our teams to think like owners driving customer satisfaction, helping them grow their business, and win in their markets.

We are looking for a Product Owner to innovate, win and grow with us. You will be working for an established but fast growing fintech company as a key member of an agile team, responsible for delivering and managing innovative, market leading SaaS solutions. Working with colleagues from market development, commercial product management, UX, development and dev ops to define and execute on both new product development and innovation, and managing continuous innovation of in market products.

THE RESPONSIBILITIES

The focus of this position will be on lead generation and qualification. We are looking for a confident telephone person who can qualify and nature our leads through BANT process to then pass onto the sales team. Other duties will include:

- Define strategic and tactical product plans to meet commercial and innovation objectives
- Gather business requirements and communicate those to the broader product management team and your scrum team
- Build and maintain a well ordered and estimated product backlog
- Be pragmatic in managing trade-offs between scope, resource and time
- Be focused on both non-functional as well as functional innovation to support SaaS operating metrics and behaviours
- Work with the SCRUM team to design and develop a stream of high quality innovation
- Effectively manage the product launch process

YOUR SKILLS & EXPERIENCE

- 3 years' experience working in fintech, payments or a closely related industry
- 3+ years managing technology products and success defining and launching products
- 2+ years demonstrable knowledge of SDLC, product lifecycle management
- Experience using the Atlassian suite, or equivalent tools to manage an agile delivery process
- Good degree in a numerate discipline or equivalent work experience

Why fintechs should be hiring graduates right now

Everyone knows what a 'star' employee looks like: smart, driven, proactive and ruthlessly pragmatic. That employee that does not just operate within the confines of their role, but is someone who takes the initiative commercially and will also chase down every little issue and fix it before it becomes a problem.

Fintechs will be looking at the impending jobs crisis as a prime opportunity to seek out these stars. However, the quantity of applicant demand will not necessarily translate across to increased quality. In fact, the current situation may be making it even harder than normal to find these stars. Companies in trouble are clinging on to their top performers and laying off poor performers, thereby diluting the average quality of the applicant pool. Consequently, startups will have to sift through a greater number of applications of a lower average quality.

However, the same cannot be said for graduates. In fact, it's never been a better time for fintechs to be recruiting graduate stars right now. Here's why:

1 Cancelled graduate programmes Companies ranging from BCG all the way through to Goldman Sachs have cancelled or postponed almost 30 per cent of high-flying graduate roles and internships. This has propelled the very graduates that were good enough to get jobs in the first place back into the applicant pool. They are desperate to take their first step on the career ladder and will work hard to prove themselves.

2 Graduates' priorities have been changing 'Blue chip' graduate schemes have been losing their allure over the last decade. Graduates increasingly want to work in the disruptive and dynamic environment that startups offer, over the security and higher pay of traditional graduate schemes.

3 Fintech has never been more popular According to a recent survey run by Jumpstart, 70 per cent of graduates have fintech as their first choice of industry within the startup world.

Why graduates are better than everyone thinks

Graduates represent excellent value for money. Average starting salaries are a mere £25,000 and they can provide teams with great leverage because they are:

1 Willing to roll up their sleeves Graduates bring a huge amount of energy and are willing to do what it takes to get the job done.

2 Mouldable They have no preconceptions of what work is, meaning that they will quickly fall into sync with the rhythm and direction that the startup wants to run in.

3 Fast learners Not only are they still in a learning mindset from university, but they will also intuitively grasp things quicker than others. One fintech founder recently summarised this succinctly when talking about a graduate hired through Jumpstart: "He just intuitively understands things that none of my team knows how to do."

How Jumpstart helps graduates get into fintech

Of course, not all graduates have these qualities. It is therefore crucial to find the right graduate and it is not always possible to find these graduates yourself. Many startups simply do not have the time to go to university career fairs, review thousands of graduate applicant CVs, nor interview hundreds of candidates. They certainly don't have the time to train them. Jumpstart's startup graduate programme was founded to help take this burden off startups in fintech.

Every month, Jumpstart handpicks the top 10 hungriest and brightest graduates from across the country, puts them through an intensive training bootcamp, and then helps them get jobs in fintech. Their training gives graduates the soft and technical skills needed to be 'startup ready' and places important emphasis on being proactive in the right way.

How Jumpstart finds the right graduates

Jumpstart has three rules when it comes to finding and selecting these star graduates:

1 Build relationships with universities Universities know who their best graduates are. Jumpstart therefore works in collaboration with more than 25 universities across the country to ensure that the graduates applying to the scheme are first rate.

2 Look for evidence of extra curricula activities Being smart is not enough. Jumpstart looks for graduates that have demonstrated a wide range of activities outside of their academic studies. In particular, they look for founders of societies or businesses who demonstrate the 'self-starter' attitude that is key to working in a fast-growing company.

3 Assess by doing, not talking Jumpstart gives candidates case studies that assess their logical thinking, prioritisation skills and attitude towards work. Studies have repeatedly shown this to have a higher predictive power for future job performance compared with traditional interview techniques. TFT

About Jumpstart

Jumpstart is the UK's startup graduate programme. Every month, it chooses the top 10 graduate applicants (from an applicant pool of 1000+), trains them up, and then helps them get jobs in fintech. It provides ongoing mentorship and support for the graduates, much like a traditional graduate programme. In doing so, it gives UK-based fintechs access to exceptional, diverse and trained talent that they would struggle to find themselves.

You can find out more by getting in touch via email matthew@jumpstart-uk.com.

Website: www.jumpstart-uk.com

Linkedin: www.l inkedin.com/company/jumpstart-graduateprogramme

jumpstart

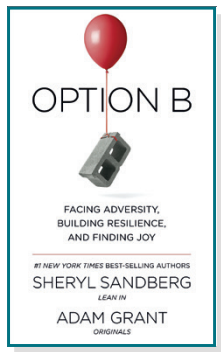
BUILDING YOUR OWN RESILIENCE

As human beings, we like to feel in control of our lives. The reality is so much of life is dictated by chance. Sometimes good luck comes our way and sometimes it's the opposite.

Resilience is the ability to cope and recover from difficult situations. It's a skill well worth developing, especially in current times with global pandemics and massive changes to our everyday lives. The below books will teach you the key strategies for how to overcome any hardship – whether professional or personal.

By Jake Courage, Co-Founder of the edtech company 42courses.com

1 OPTION B: Facing Adversity, Building Resilience, and Finding Joy *by Sheryl Sandberg & Adam Grant*

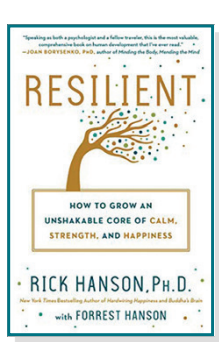


On 1 May 2015, Sheryl Sandberg lost her husband unexpectedly. In a high-powered job as the chief operating officer for Facebook and the mother of two young boys she found her world turned upside down. In this book, she shares a deeply personal account of the journey she went on and how she emerged a stronger and more resilient person.

Her story is accompanied by Professor Grant's eye-opening research about how people deal with the toughest challenges life throws at them. Some of the strategies shared include remembering that you do have control over some elements of your life and finding these can help to create a sense of stability.

Sandberg also stresses the importance of surrounding yourself with supportive people and allowing them to help you. Lastly, she also encourages her readers to find the things they're good at and do more of them so that they gain their confidence back.

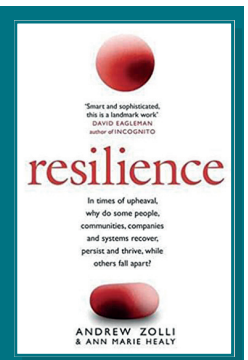
2 RESILIENT: How to Grow an Unshakable Core of Calm, Strength, and Happiness *by Forrest Hanson and Rick Hanson*



The message of this book is that resilience is not just about enduring terrible conditions, it's a useful tool for everyday life. Dr. Rick Hanson is a *New York Times* bestselling author who blends his knowledge of neuroscience, mindfulness, and positive psychology to show you how to develop your inner resolve. It's full of interesting insights into how the brain works and offers a practical guide of how to feel less stressed and stay calm in the face of adversity.

Dr. Hanson explains how to overcome the brain's inbuilt negativity bias by harnessing the power of positive neuroplasticity. This is the idea that it's possible to rewire our thought patterns for greater self-compassion, inner peace and a more balanced outlook.

3 RESILIENCE: Why Things Bounce Back *by Andrew Zolli & Anne Marie Healy*



For business people, this book is perhaps the most valuable as it looks not just at human resilience but the resilience of systems in general. It examines the ways different systems can become fragile and break and strategies for preventing this from happening.

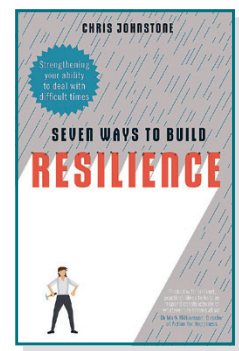
This covers everything from the structural characteristics of resilient systems to the tools required for strategic resilience. For example, modular systems which operate a bit like Lego bricks (in the sense that they can unplug from one another when needed) are less likely to fail than linearly constructed ones.

The book goes into some detail about feedback loops, decoupling, diversity, simplicity and interoperability which are vital to understand to prevent failures cascading through systems. Part complexity theory, part psychology it's a valuable resource for how to navigate the increasingly fast rate of change that characterises our world today.

4 13 THINGS MENTALLY STRONG PEOPLE DON'T DO: 13 Things Mentally Strong People Avoid and How You Can Become Your Strongest and Best Self *by Amy Morin*

How do you strengthen your mind to stay strong in tough times? In answering this question, Amy Morin draws on her many years of experience counselling patients as a psychotherapist as well as her own experiences of personal loss. The book expands on her viral blog post that reached millions worldwide and is a helpful and easy-to-read guide to mastering your mental strength. She explains how resilient people 'don't waste time feeling sorry for themselves', 'don't shy away from change' and 'don't fear taking calculated risks' as well as ten other important characteristics. It's probably the quickest and easiest read of the five books.

5 SEVEN WAYS TO BUILD RESILIENCE: Strengthening Your Ability to Deal with Difficult Times *by Chris Johnstone*



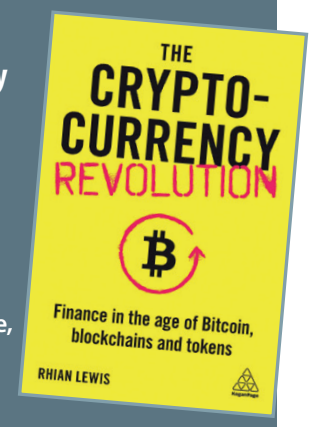
Dr. Chris Johnstone is one of the UK's leading resilience trainers with more than 30 years of experience. His book is like a toolkit of resources for emotional first aid. Amongst the seven techniques he shares is 'storyboarding' which is a way of viewing the present moment as part of a larger sequence of events to put things into perspective. He also encourages the reader to 'think flexibly' by trying to look at things from different perspectives as well as being proactive about 'overload management'.

The earlier we can identify we're taking on too much pressure, the more we can avoid things going too far. He also has an online course 'Personal Resilience in an Hour' for those who prefer to learn by watching videos.

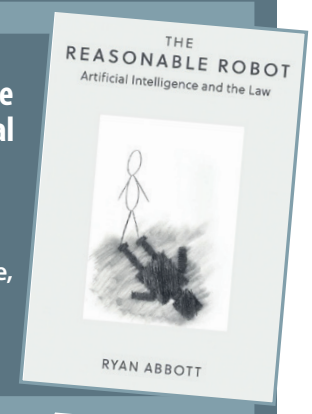
Can't wait for the books to arrive? Try an online master class in fintech, social media, behavioural economics, storytelling, problem solving, happiness and many more. **Go to www.42courses.com and click on a course tile.**

5 BOOKS TO GET AHEAD IN FINTECH

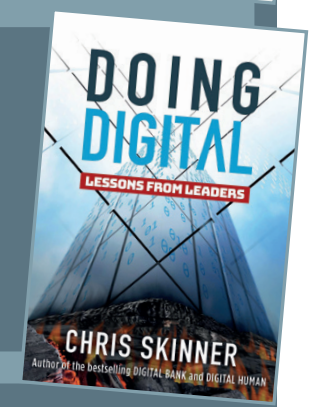
The Cryptocurrency Revolution: Finance in the Age of Bitcoin, Blockchains and Tokens *by Rhian Lewis*
Available: Kindle, Paperback & Hardcover



The Reasonable Robot: Artificial Intelligence and the Law *by Ryan Abbott*
Available: Kindle, Paperback & Hardcover

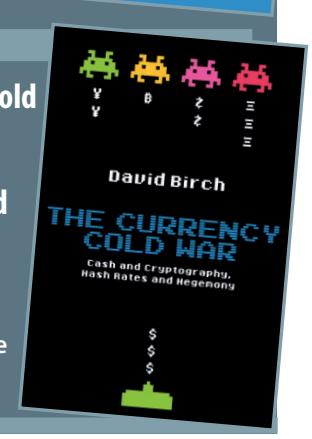


Doing Digital: Lessons from Leaders *by Chris Skinner*
Available: Kindle & Hardcover



The Financial Services Guide to Fintech: Driving Banking Innovation Through Effective Partnerships *by Devie Mohan*
Available: Kindle, Paperback & Hardcover

The Currency Cold War: Cash and Cryptography, Hash Rates and Hegemony (Perspectives) *by David Birch*
Available: Kindle & Hardcover



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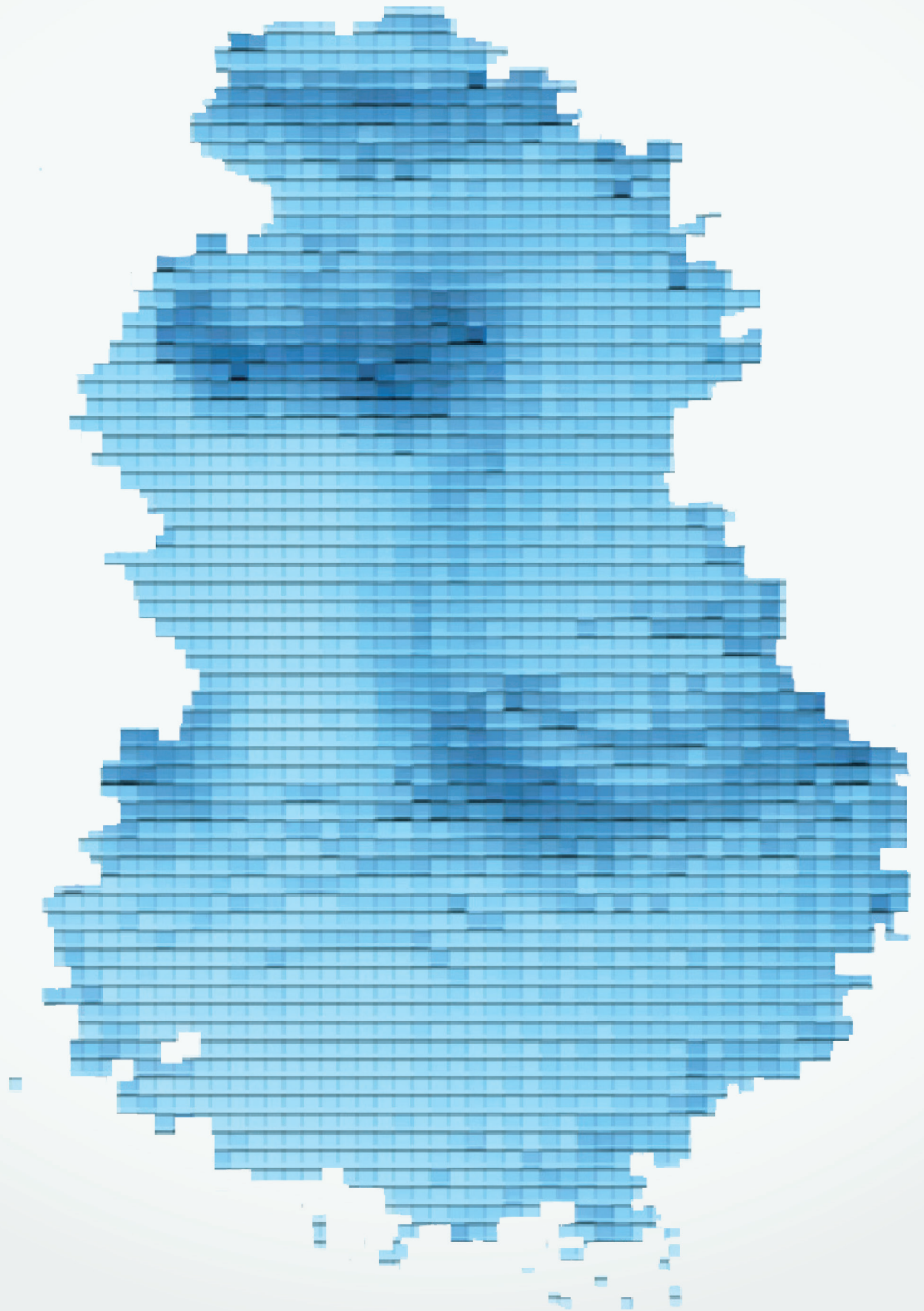

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