banking technology

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EDUCATE, ADVOCATE, INVEST
It's not enough for companies to pay lip service

KNOW YOUR PAST, SHAPE YOUR FUTURE
Breaking down walls with Keisha Bell at DTCC

STICKING THEIR NECKS OUT
A spotlight on the UK's first Black-led challenger bank

Produced by FINTECH FUTURES

IN THIS ISSUE

EDITOR'S NOTE

Sharon Kimathi
Editor, Banking Technology

This month's special Black History Month edition of *Banking Technology* magazine highlights a topic that's very dear to my heart. It features interviews with Black women and men in the financial services industry with one thing in common – the need for change.

In Toni Morrison's The Bluest Eye, her character, Claudia MacTeer, recalls her childhood experience of Christmas, specifically how she would regularly receive white dolls as presents. The spectacle of whiteness and beauty colliding aside, Claudia remembers how the adults in the room would spend time fawning over the doll, congratulating themselves on being such thoughtful gift-givers, oblivious to the fact that her sole childhood wish was to sit at the counter-top when her mother was cooking the Christmas dinner and listen to her father play piano.

As she grows older, Morrison reflects that systems designed without Black people in mind often repeat that same well-meaning but ultimately patronising stance when they go about structural reform. Symbolic gestures that do not even scratch the surface of structural change are lauded as transformative, as self-congratulatory "proof" of an institution's anti-racist attitude, without even seriously including diverse voices in the decision-making process.

It is one thing to provide opportunities to speak, but we must also listen: if our readers are to take anything away from this issue, I would implore them to consider the ways their organisations can do both.

We hope you enjoy this month's feature with the UK-based Black-led challenger, Atmen Bank, and discussion with Keisha Bell, managing director and head of diverse talent management and advancement at DTCC.

FINTECH FEED

TWEET DECK Follow us @FinTech_Futures

Mike Bird
@Birdyword
A million dollars isn't cool. You know what's cool? Finding a data series on a central bank website that is almost deliberately hidden by giving it the most tangential and obscure name possible, after several hours of searching.

James Cook
@JamesLiamCook
Really big fan of the "Avengers of cybersecurity"-style graphic design of this conference.

European Cybersecurity Forum - CYBERSEC @CYBERSECEU · Sep 26
Our next c-level speakres will show you how it's done. Please welcome #CSGlobal20 the great names of the #cybersecurity world @TrackerPayton, Bob Kolasky, Martin Chertoff, Melissa Hathaway, @ciaranmartinoxf, Flavio Aggio, Marco –Alexander Breit and BG @MolendaKarol @CYBER_MIL_PL

Brianna
@BriLimitless
What's your grace period before hanging up a zoom call if nobody joins? I say 7 mins.

Benedict Evans
@benedictevans
Another day, another email to write politely explaining that living in London means I would rather not do a Zoom call at 4 pm eastern time.

Chris Albon
@chrisalbon
Tech company: "Bring your whole self to work every day."
[employees bring whole self to work]
Tech company: "WHOA, we just meant your whole free time not your politics."

THE NUMBER GAMES

$2 trillion
The amount resulting from suspicious bank transactions revealed following the leaked FinCEN files

$11.7bn
Robinhood reaches $11.7 billion valuation after its $460 million Series G funding

£3.5 billion
The amount of furlough payments in the UK that were sent in error, according to HMRC

$1bn
Citigroup promises $1 billion to close US racial wealth gap

21
The Tokyo Stock Exchange came to a halt during its worst outage for 21 years

1
Jane Foster becomes the first woman to lead a US Wall Street investment bank as she becomes CEO of Citigroup

£1 trillion
More than 7,500 UK financial services jobs and £1 trillion in assets have moved to Europe due to Brexit

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THEY SAID IT...

"Real change starts with honest, intentional dialogue about everyday experiences"
Keisha Bell, managing director and head of diverse talent management and advancement at DTCC

NEWS ROUND-UP

HMRC reveals £3.5bn furlough payment error

As much as £3.5 billion in Coronavirus Job Retention Scheme (CJRS) payments could have been paid out in error or claimed by fraudsters, the UK government has revealed. HM Revenue & Customs (HMRC) revealed to MPs on the Public Accounts Committee that around 5-10% of money sent to fund the government's furlough scheme could have been awarded incorrectly.

FinCEN files show banks allowed $2trn in suspicious transactions

A major leak has revealed a slew of major banks allowed oligarchs, mobsters, and criminals to launder money in transactions worth more than $2 trillion. Buzzfeed News obtained more than 2,100 suspicious activity reports (SARs) filed by banks and financial institutions. Analysis found that between 1999 and 2017 banks flagged transactions worth trillions in SARs submitted to FinCEN.

Revolut faces lawsuit in Romania over blocked account

Digital bank, Revolut, is facing a lawsuit after blocking a customer's account in Romania. Florin Hrituliac, a Revolut personal account customer in Romania, tried to transfer RON 20,000 ($4,832.68) from his company's bank account to his Revolut account on 9 September 2020, but was unable to access these funds. Hrituliac tells *FinTech Futures* that his account was blocked for five days "without any clarifications from their chat agents". The fintech unblocked the customer's account on 15 September. The case follows several other similar incidents of frozen or blocked accounts from Revolut customers around Europe.

WeChat transactions ban blocked by US judge

The US Department of Commerce has been blocked from banning WeChat and its payment transfer services by a San Francisco magistrate. The ban is a response to an executive order from President Donald Trump. The Department of Commerce announced last week it would prohibit transactions on mobile apps WeChat and TikTok.

Westpac agrees to record AUD 1.3bn fine for AML failures

Westpac, one of Australia's largest banks, has agreed to pay a record AUD 1.3 billion ($911 million) fine for money laundering breaches. The bank failed to adequately report more than 19 million international transactions, some of which are linked to child exploitation rings. It disclosed details of the breaches in a May 2020 court filing. AUD 11 billion in payments went unreported. The bank also failed to keep records related to the origin of the transactions or carry out "appropriate customer due diligence".

Nasdaq plans cloud migration for all 28 markets by 2030

Nasdaq is moving its 28 markets in North America and Europe to the public cloud over the next decade. The exchange operator's data warehouse already sits on Amazon Web Services (AWS). Nasdaq's chief information officer (CIO), Brad Peterson, says the exchange repeatedly saw daily peaks of more than 100 billion messages sent and received in the US during 2020. Peterson says the exchange operator didn't experience any issues due to its use of AWS, hence its decision to "go all-in on cloud".

TRENDING

Spotlight on Black talent

The issue of racism in the financial sector has moved up the list of priorities for corporations and regulators. Lloyds, RBC, Softbank, Citigroup, Bank of America and US Bank have all committed funds to tackle the racial wealth gap. The US Federal Reserve recently asked banks it oversees to provide more clarity on what they're doing to tackle the lack of racial and gender diversity in the financial industry. The UK Financial Conduct Authority (FCA) is also conducting an assessment of diversity and culture in the sector as part of its annual review. These examples show that tackling racism is really on the agenda within the industry, at least at face value. In light of these initiatives aiming to fund Black-led institutions, *FinTech Futures* is shining a spotlight on fresh Black-led fintechs around the world that are ripe for some investment. From Atmen Bank in the UK which is featured in this month's magazine, to Union54 in Zambia.

Union54

Union54, a pan-African challenger, is gearing up for launch in 2021. The start-up, which was founded in January 2020, is the product of Zazu – a Zambian mobile wallet. Both Union54 and Zazu were founded by Perseus Mlambo, a former ethics support staff member for the United Nations High Commissioner for Refugees (UNHCR). In 2017, Zazu pivoted into digital banking after helping farmers connect to new markets. Its latest venture, Union54, aims to standardise payments in Africa and simplify how capital is deployed across the continent.

MoCaFi

New York-based Mobility Capital Finance (MoCaFi), is a digital banking platform that aims to "bridge the economic mobility gap by targeting more than 50 million unbanked and underbanked people in the US", according to its website. MoCaFi was founded in 2015 by Wole Coaxum, who spent most of his career as a senior executive at JP Morgan Chase. Crunchbase reports that MoCaFi has raised a total of $5.3 million in funding over three rounds (the latest one took place in February this year). It recently launched an upgrade of its banking platform for Black and Latino communities in the US who have been disproportionately hurt by the loss of jobs and emergency savings during the COVID-19 pandemic. MoCaFi officials state that the new mobile banking service will help address some of those specific needs.

SoLo

SoLo, a peer-to-peer (P2P) lending platform, claims to be providing affordable access to loans for those in need. It does it by connecting borrowers to lenders through its mobile marketplace. It was founded by former investment advisor, Travis Holoway, in 2017. The Los Angeles-based lendtech provides microloans of between $50 and $1,000, with terms set by the borrower, with no interest charged for the loans on the platform. Tips are capped at 10%. Borrowers set their own terms, select the repayment date, how much they need, the reason they need it and what they would like to tip the individual lender. According to Crunchbase, SoLo has raised a total of $4.8 million in funding over four rounds. Its latest funding – an undisclosed amount – was raised on 31 August 2020 from a convertible note led by CEAS Investments and Plug and Play.

Mulberry

Mulberry is a personalised customer warranty solution based in New York. It was created by Chinedu Eleanya and Lee Johnson. The platform provides a suite of application programming interfaces (APIs) and plugins to allow retailers on any e-commerce platform to launch an extended warranty add-on in real-time. It aims to transform the extended warranty experience for retailers and consumers. Mulberry raised a $10 million Series A round of funding in September this year led by Pace Capital.

Young Black lives in banking

By Ruby Hinchliffe, reporter, FinTech Futures

Wall Street chief executives are scrambling to convince the world that they are tackling everyday racism in the workplace, due to the protests following the murders of George Floyd and Breanna Taylor in the US.

Yet, the number of senior Black executives on Wall Street has remained flat at under 3% for the past decade. Only after the global protests this year has the Bank of England decided to "review" portraits still hanging in its building of directors with slave trade links.

Whilst banks make up for their shortfalls with one-off million-dollar investments from Bank of America and Citigroup, it's important to really look at why these institutions are still lacking in people of colour at the top of their ranks, and how this impacts the younger Black generation.

Although I can pull facts which quantify these long-lasting inequalities, my voice isn't the one you need to hear from on this particular topic. Below is a collection of thoughts from my Black peers, relaying their personal experiences within the financial services industry and their thoughts on the banking industry's troubling history with race relations. Some have decided to remain fully, or partially, anonymous so as not to jeopardise their current employment status.

"I believe the lack of not just Black, but BAME [Black, Asian and minority ethnic] representation in leadership roles in the financial sector (and others) boils down to the lack of opportunities our parents' generation (and generations before them) had. If your role models growing up weren't in leadership positions, it's unlikely you would realise it's something you want."

Malik, ex-banking graduate

"There's plenty of diverse talent in finance but there's a deep lack of allyship and relationship building at the executive level. Also […] it's a lot easier to launch a fintech start-up and reach the same level of success without the racial tension."

McKenzie, fintech product lead, Prohaus Labs

"Since the 1800s through to the present day, Caribbean and African countries were not included in the global banking system as key capital allocators. So, today's diverse talent is currently working in a totally separate banking system."

Telly Valerie Onu, DFMI lead instructor, Alts School

"The banking institutions' foundations and roots lie in the exploitation of African people. The British banking system has always been built on criminal acts – that is, slavery, and predating slavery, piracy. The trick is to have people in privileged positions believe that they're actually there based on merit. When in actual fact the grandsons and grandchildren of former bankers get these jobs. Where is the scope for Black people to come into the banking industry if it's a closed off industry? You're not part of the club."

Ziggy, independent subject & behaviour specialist, Moore Education

"A lot of the major investment banks are our clients. From my experience, the industry is still largely governed by nepotism. As a result, Black and other ethnic minorities find it difficult to integrate into the culture and usually do not get access to the same opportunities. Black colleagues usually leave before becoming VP [vice president] or higher-grade positions. This contributes largely to the lack of representation in the high positions of governance in these banks and firms."

Anonymous

"Capitalism is sustained by the oppression of people. The scary aspect of that is it's systemic. How we think, act, where we go to school, what kind of jobs we have to the food that we buy, that's all capitalism. As long as we are controlled by capitalism, racism will constantly persist. Maybe it's time for us to all to take a step back and truly analyse the systems of oppression that capitalism embodies and think about the impact that capitalism has on us."

Horizon, recent university graduate

"I was invited for an interview with Morgan Stanley and the person interviewing me was actually Pakistani-Asian and he pushed for me to get this job. He believed that when he was in my shoes, he was not offered the same opportunities. Representation is necessary. All it took for me was a person being able to relate to me and giving me the opportunity."

Leslie, risk and policy manager

"I find people are more likely to enter a field that perhaps has more people that look like them. It certainly made it easier for me to pursue a career where people that looked like me were visible. Representation is important because it influences not only how others view you, but also how we view ourselves."

Arnold, legal analyst

COMMENT

A sector ready for change

By Oluchi Ikechi, head of business restructuring & innovation for capital markets, Accenture UKI

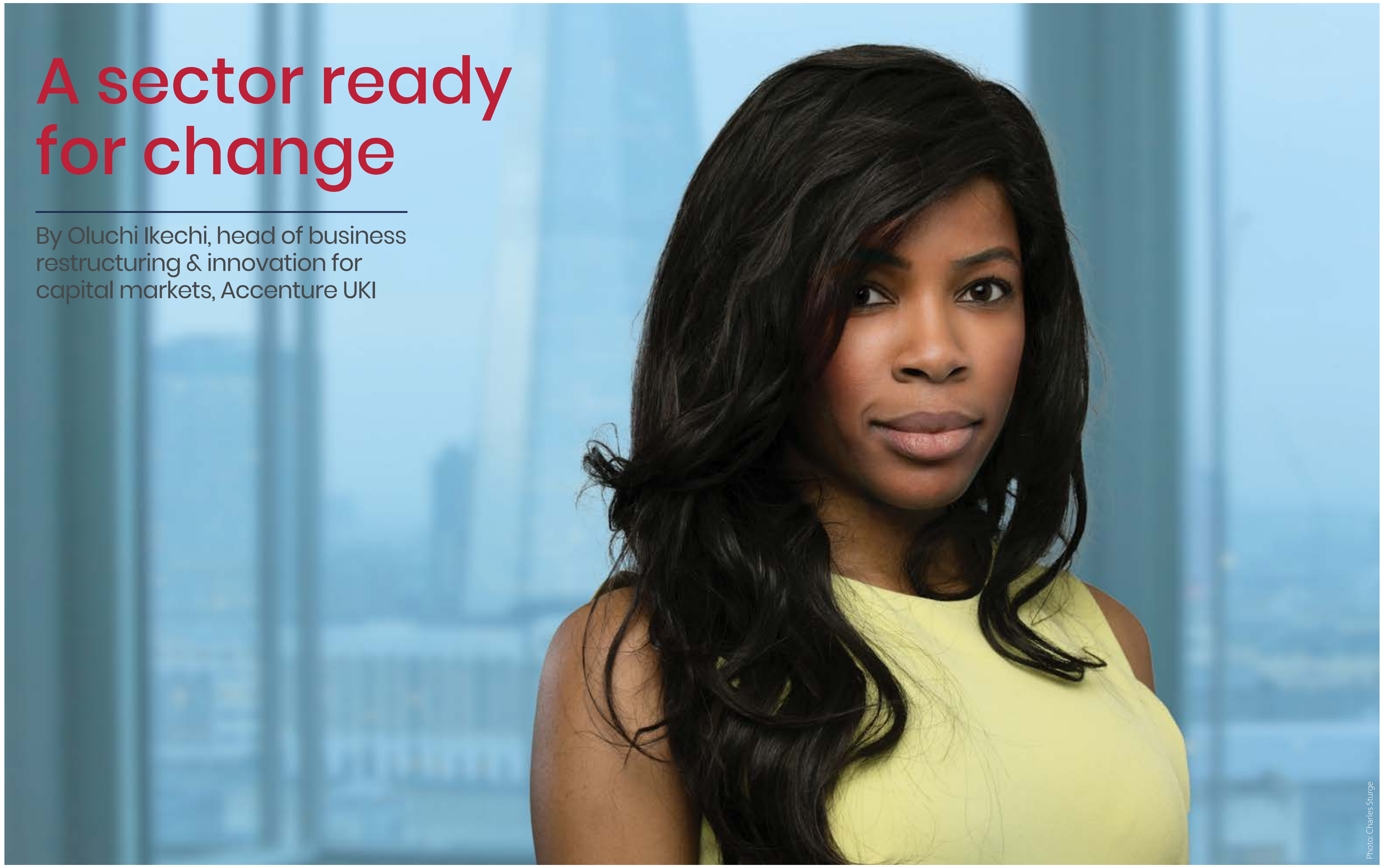

Photo: Charles Sturge

This year has been a year of change in so many ways, not just by forcing firms and financial services to reassess every way of working, but to reassess the diversity and inclusion of the people at its core.

The Black community has been fighting for change for many years, often falling on deaf ears. The pandemic caused us all to pause, go back to basics and reconnect with our sense of humanity. This year, the Black Lives Matter movement's call to arms captured the world's attention during a moment of reflection, and it's time for the industry to respond.

It's no secret that the financial services sector is one of the most traditional industries out there, from legacy operations introduced in the 70s and 80s, to intricate old school networks. While some finance firms had begun to embrace digital, COVID-19 turned everything on its head. The key question for business leaders as the dust begins to settle on such an eventful year, is not just how we get back to work- fundamentally revisiting their digital transformation journeys to emerge stronger from a turbulent year, but how we embrace this catastrophic opportunity to re-imagine and re-invent a better and fairer way for all.

This year in particular has been demanding for finance firms to rapidly digitise and innovation is needed now more than ever. Often in finance, Black people seem less visible in client facing or leadership roles and may be more likely to take up roles in back-office technology or operational areas. Since technology and innovation is ingrained in everything we do, perhaps this could give Black employees the opportunity to become more visible and potentially supported for more senior positions. Research conducted by Accenture last year, shows that innovation is higher in diverse teams with a culture of equality, so giving Black talent more of a voice isn't just the right thing to do, it makes business sense.

Capital markets is, for me, a particular area in finance crying out for innovation. It's one of the most traditional areas of finance, with a real need for fintech disruption. From my experience, some Black people may have had their entrepreneurial spirit dampened as a result of years of oppression, despite possessing the natural creativity and fierce ambition needed for fintech disruptors. But given statistics from the Harvard Business Review show that only 1% of venture capital investments go to Black-owned businesses, these entrepreneurs often lack the funding to get their ideas off the ground. Here lies a huge opportunity for the sector to embrace fintech to remain competitive whilst, crucially, investing in Black founders.

IT TAKES A WHOLE COMMUNITY

As a Black woman, a lot of confidence issues can stem from not having the emotional support early enough, with someone to guide you to embrace your colour and remove any internal barriers for success you may have naturally built up. I like to see this as a journey which highlights the importance of having supportive people around you, forming a community with whom you grow. In that community, it's for everyone to come together to instil confidence in young Black people. White people supporting Black people, Black people supporting Black people, and Black people supporting themselves.

I was fortunate enough growing up to be constantly reminded by my parents that success is possible for a Black person, but not everyone may have that level of guidance. In September, Accenture welcomed over 100 Black students and graduates to our virtual "Empowering Black Futures Consultancy Taster Programme", where we equipped them with advice, storytelling training and the belief that they too can succeed in a large corporation.

Mindset is everything, and Black talent needs help to grow their self-belief, to be bold and ready to take their place at the table. Though let's not forget how difficult this is when no one at the table looks like you. This is why the community effort is so important to empower young Black people and their futures, creating a better environment for all.

EDUCATE, ADVOCATE, INVEST

It's not enough for companies to pay lip service, saying they will change. They need to invest real time and real money into education and internal policies. We must advocate for change and do it loudly. I'm seeing more organisations calling out their wider ecosystem if their teams are not diverse or inclusive enough, which is promising progress.

> "It's not enough for companies to pay lip service, saying they will change. They need to invest real time and real money into education and internal policies."
>
> **Oluchi Ikechi, Accenture UKI**

It's about creating equal opportunities for Black talent and encouraging an open dialogue, which is a challenging task in the financial services sector. If we take capital markets as an example, it was traditionally an area of finance derived from a network-based structure, typically all about who you know and where you came from. It's great to see some improvement here, with some top firms now investing in education, training the wider workforce how to be anti-racist and promote inclusivity to drive that innovation.

The education piece doesn't just stop there. Firms can support their Black employees further by funding talent accelerator programmes, such as the one by the Black British Business Awards. These particularly benefit senior or middle management by empowering them to progress to the top and become leading role models. By also engaging all key stakeholders of an organisation, it stresses the importance of mentorship, sponsorship and encourages non-Black employees to put their hands up as advocates.

To sum up, it is clear there is still a lot of work to be done, and while this year has been so tragic for so many reasons, I truly believe it has opened the eyes of many. This is not just a moment in time or a chance to do someone a favour. Let's not confuse this with "giving someone a leg-up". This is a chance to level the playing field, once and for all. It's time to innovate by educating, advocating and investing, and what better time for financial services to embrace this.

Grasping the opportunities of new digital customers

By Rajashekara V. Maiya, vice president and global head of business consulting, Infosys Finacle

As customers migrate to digital alternatives throughout 2020, banks have had to react. A flexible approach is needed to ensure newly digital customers aren't frustrated.

"One is that banks irrespective of their stature, nature, size or region, are comprehensively moving to an all-digital environment," says Rajashekara V. Maiya, vice president and global head of business consulting at Infosys Finacle.

"Now banks are looking at digitalisation from an efficiency point of view, and that point of view is from the customers' perspective. Whether it's corporate customers, retail customers, senior citizens or younger generations, every bank is looking at how to become relevant to all."

PwC data shows that 27% of customers in the US said they have logged onto their bank's website or app as a result of the COVID-19 pandemic. A quarter also said they had reduced their time in the branch. Meanwhile in the UK money management apps have seen a surge in use as 30% of people turn to them to plan their futures.

Transactions that once happened in the branch for lots of customer have moved completely online. This offers a challenge and an opportunity to financial institutions. Capturing the custom of people who for the first time are switching form branch to mobile app will require a change of tactic.

Maiya uses the example of booking airline tickets in the past. Before, people would have to go to agents multiple times to book their flight, get tickets, and receive advice on prices. Now with an app experience being so easy to use and understand, very few people will go back to using a travel agency.

"If you introduce a version of the branch experience into your digital experience, very few people will want to go back to the old branch way of doing things."

SIMPLICITY

Maiya adds that while the younger generations want a social-media style experience, the elder generation is looking for simplicity, ease of understanding, and no training required to complete basic banking tasks. A customisability will be crucial to enable banks to cater to the influx of both demographics over the coming months.

Multiple forms of banking and payment have emerged across the world. QR codes in China, the proliferation of mobile money solutions in Africa, and the rise of contactless cards in Europe. With companies like Tencent trying to make a move into other regions, banks have an opportunity to take advantage of this crosspollination.

Maiya also believes that a crosspollination is occurring between the traditional banking sector and the wider technology sector. An example he gives is Amazon in India providing an Amazon payment and mobile money account within its shopping app. The company saw customers would be unable to visit branches due to the COVID-19 pandemic and activated payments between its app users. This goes the other way, too. It wasn't too long ago that Apple's iTunes allowed customers to buy singular tracks from albums.

The idea is similar to the ability for users to use buy now, pay later services at banks to issue instant digital credit cards, with an instalment already decided. Maiya says this has changed the game. "The mobile application is now converted into the role of a traditional bank teller."

Breaking down walls

By Sharon Kimathi, editor, FinTech Futures

This year has been devastating for Black people across the world. From the Office of National Statistics' figures regarding Black people being more than four times more likely to die from COVID-19, exposing a dramatic divergence in the impact of the coronavirus pandemic in England and Wales, to the murders of Breonna Taylor, Ahmaud Arbery and George Floyd in the US.

FinTech Futures took this somber moment to sit with Keisha Bell, managing director and head of diverse talent management and advancement at DTCC, who reveals how "the wall between [her] dual worlds crumbled, and real conversations began" following this year's events. Bell dissects how systemic racism has affected her workplace experiences and highlights diversity and inclusivity initiatives that have emerged within the firm to foster real change.

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How did you begin your professional journey?
I have been working in the financial services industry for over 20 years, spanning broker/dealer operations, technology transformations, programme management and business analysis. My first role was a project manager at a market participant firm, but the bulk of my career has been spent at DTCC, where I have worked for 16 years.

What obstacles have you faced along the way based on your gender and race, and what advice can you give to young black women in the industry when faced with such a situation?
Racism in the workplace can be subtle and often times focuses on one's appearance. Corporate appearance policies that include requirements for "professional" hair continue to disproportionately affect black women. Early in my career, I was told that my natural hair was unprofessional, and it was clear to me that if I refused to change it, I would be reprimanded and perhaps fired. It was important for me, economically, to keep my job, and so, at my own expense, I changed my hair. I didn't have the knowledge or tools necessary to address the issue at the time, but once I fully recognised and understood that incident, I decided that never again would I alter my natural hair to conform with the way White America expected me to look. One should be measured based upon their skills, capabilities and ability to contribute to business success.

Are there any specific observations or changes in behaviour you've seen in financial services since the coronavirus pandemic and brutal murders of George Floyd/ Breonna Taylor in the States?
Many Black and Brown people have grown accustomed to compartmentalising our lives, particularly when it comes to matters of systemic racism and violence affecting our communities. We have maintained a wall between our work lives and the painful emotions we have experienced following the deaths of Ahmaud Arbery, Breonna Taylor, Trayvon Martin, Tamir Rice, and countless others. However, many of us found ourselves unable to compartmentalise our pain and fear as the now-infamous video of George Floyd's murder spread around the globe. For the first time, I – alongside many of my Black and Brown friends and colleagues – shared emotions with co-workers, voicing anger, grief and terror we'd normally keep out of the workplace. Not only did I need to articulate the pain I was feeling inside, but I had to let my Black and Brown colleagues know they were safe to be their full selves, too. As we spoke, the wall between my dual worlds crumbled and real conversations began. Real change starts with honest, intentional dialogue about everyday experiences. It's an important step in any diversity and inclusion (D&I) journey.

"Real change starts with honest, intentional dialogue about everyday experiences. It's an important step in any diversity and inclusion journey."

Keisha Bell, DTCC

What is it like working in financial services and does it differ to other sectors?
The financial services industry is nudging the needle on gender parity. A concerted effort is underway to close the gap once and for all, with mentoring and sponsorship programmes abound, and much of the industry diversifying their efforts by supporting science, technology, engineering, and mathematics (STEM) education within schools, investing in the talent pipeline, creating policies and implementing programmes to advance diversity.

While this progress is undoubtedly a positive development for the industry, considerable work remains. Yes, there are more women in leadership roles, but the Oliver Wyman 2020 Women in Financial Services report indicates that despite the increase in representation over the past few years, women make up merely 20% of executive committees and 23% of boards. The view from the top continues to be male dominated, with female chief executive officers (CEOs) and chair representation at just 6% and 9%, respectively. In fact, 21% of financial services companies' executive committees remain entirely made up of men.

In order to understand why the pace of progress is slow, it is important to acknowledge that most of the discussion around D&I in financial services remains divorced from the systemic and structural issues that cause inequality. DTCC operates an array of D&I initiatives that aim to address a variety of issues, but increasingly, our focus is on facilitating the intentional, impactful discussions that are necessary for real change.

Are there any D&I initiatives you've seen that are helping and you want to highlight?
Following George Floyd's murder, we created our "Perspectives" series to give voice to concerns, vulnerability, and fear that DTCC's black and brown employees share. The first session featured a cross-section of Black and Brown men from all levels of the organisation who have experienced negative interactions with the police, sharing those lived experiences with their colleagues. There was a moderator but no Q&A session. The next session followed the same format, with Black and Brown women discussing "the talk" they must have with their children about racism and interacting with law enforcement. Most White colleagues don't need to fear an erroneous warrant will lead to an armed invasion of their home while asleep, at a cost of their lives.

We are continuing these conversations through "BOLD", DTCC's employee resource group centred around Black employees, by facilitating smaller group conversations. It is undeniable that systemic and structural racism and violence take a toll on our community, and these discussions create space for employees to talk to each other at work. It's a small step but also revolutionary, given how much effort we have put into keeping our professional lives separate from the catastrophic impact of racism that is still pervasive in our society.

We have also implemented an 18-month long "Advancing Women Leaders" development programme at DTCC, which targeted a cohort of 16 women at the director level. The programme focused on leadership and individual skills development and, most importantly, provided clarity on their progression opportunities and furnished them with formal sponsors from DTCC's senior level management. This programme saw immediate results, with four out of the 16 women promoted over the last year.

What gestures vs action really means – from corporations putting the "black square" to vague platitudes – how can these hinder or help foster inclusion?
Outward vocal commitments followed by concrete actions and responses demonstrate to employees an organisation's commitment to D&I. While political and societal unrest can bring discomfort, it also provides growing resources for employers to sign onto initiatives and advocacy efforts and make public statements, internally and externally, for example, around racial injustice for people of colour. However, these efforts need to be rooted in action. Employers must implement a robust programme to hire, grow, cultivate and support diverse talent while providing learning opportunities designed to foster a supportive and inclusive environment. If your C-suite or board lack racial, ethnic and gender diversity, placing a Black square on your website rings hollow.

"By overcoming any fear of friction and creating space for complex, meaningful conversations, we lay the strong, foundational elements for growing and advancing diverse talent globally."

Keisha Bell, DTCC

How important is allyship from White and non-Black members of staff?
It has been comforting to know that colleagues who don't look like me share my sense of outrage at the injustices we've seen and to hear them commit to supporting me and my community, but in order to facilitate real change, we need to teach allies how to translate that support into action.

In parallel with facilitating conversations among our diverse population of employees, DTCC has launched "ally to upstander" training so that our employees of all backgrounds, identities and genders can become successful allies at work. It's one thing to call yourself an ally, but the training provides the tools to turn that into action by illustrating the stakes of allyship and providing the skills to achieve it. This initiative is empowering DTCC's employee population to have discussions to become effective allies, as well as providing guidance on actionable steps they can take to support their Black and Brown colleagues.

Do you think the reflections made by US federal reserve and the UK Financial Conduct Authority that diversity is actually getting worse rings true to you?
I do not believe it is getting worse – I think people have been awakened to the current state and what's needed to create change. Although I am realistic that change takes time, patience and commitment, there is a real opportunity for financial services to take a leadership role as an industry by facilitating diversity discussions that connect worthy D&I goals with the structural inequality that stands in the way of achieving them. By overcoming any fear of friction and creating space for complex, meaningful conversations, we lay the strong, foundational elements for growing and advancing diverse talent globally, in a systematic and coordinated manner.

The financial services industry must acknowledge and understand how systemic inequality and underlying unintentional bias impacts our workplaces, corporate cultures and employees' feelings of belonging. Firms must lead the way in facilitating important conversations about privilege and bias across diversity paradigms that are necessary to drive meaningful change.

KEISHA BELL: CV

Nov 2018-present Head of diverse talent management & advancement, The Depository Trust & Clearing Corporation (DTCC)

Feb 2015-Nov 2018 Managing director – group chief risk office, DTCC

Jul 2004-Mar 2015 Vice president – wealth management services, DTCC

2000-Jan 2006 Senior business analyst/project manager, Spectra Securities Software

1998-2000 Project manager, Park Avenue Securities

The imperatives behind BFS

By Gautam Samanta, EVP & global head of BFS at Coforge

Digital technologies have transformed traditional ways of doing business and the story is no different for the BFSI sector.

This has been further accelerated by the current coronavirus pandemic. According to Zinnov, banking and financial services (BFS) companies are making their digital investments on technologies such as data science, big data analytics, cloud, security, artificial intelligence (AI)/machine learning (ML), and blockchain. While 34% of the total digital engineering spend is being allocated towards data science and big data analytics, cloud comes a close second at 31%. Another IDC report shows that public cloud is playing a critical role in many banks' modernisation efforts. Close to 30% of the banks that are currently running workloads in the private cloud now plan to move a percentage of these to the public cloud within 24 months. As customers embrace more digital channels, the BFSI sector will have to look at a digital-first business strategy to sustain competitive advantage. We look at few emerging trends across the BFSI sector.

THE NEW BFS NORMAL

The current crisis highlights the urgent action required for businesses to upgrade to digital platforms, new processes, and strategies to stabilise their operations and sales. Businesses that paid heed to the digital transformation buzz were able to quickly adapt to the social distancing guidelines. Even capital markets looked to fintech automation to reduce costs and drive efficiency. In recent months, cashflow management has been critical. As per a survey by PYMNTS, 76% of surveyed participants faced a cashflow shortage, with 18% struggling with cashflow shortages on a frequent basis.

The BFS sector is combatting the cashflow crunch with innovative solutions by adopting low-code or no-code platforms. These systems allow leaders to quickly introduce new software solutions and maximise their budgets. For instance, Coforge addresses cashflow shortage through process automation and re-engineering solutions for its American financial, retirement, investment, and insurance client.

CONTACTLESS PAYMENTS, FRAUD DETECTION, AND CHANGING CONSUMER BEHAVIOUR

Digital payments are not new for the modern consumer. But an interesting trend noticed is the uptick in contactless payments during the pandemic. For example, credit card giant Mastercard reported a 40% jump in contactless payments, including tap-to-play and mobile pay. The rise is driven by the changing consumer behaviour of minimising human interactions, reducing cash transactions, and being able to quickly exit a store after purchase. While the pandemic has seen a surge in online transactions, at the same time there is an exponential increase in cybercrime such as payment fraud, cyberattacks, and credit card fraud. A survey by TransUnion reported over 100 million suspected fraudulent transactions from 11 March to 28 April.

To combat the fraud supply chain, financial players and merchants must adopt a digital trust and safety strategy. Organisations should consider proactive measures to protect themselves and their consumers from losses. Many banks are leveraging AI to move from traditional banking to an insight-driven approach. Data is leveraged to analyse, strategise, and develop new products and solutions based on consumer behaviour. Real-time predictive analytics would help mitigate cyber risks, help make quick decisions, and create self-diagnostic or preventive-maintenance solutions. For instance, Coforge is collaborating with a Fortune 100 company to develop a financial crime platform of the future – bringing in our cross-functional team comprising of domain consultants, big data practitioners, quality engineers, API developers, BPM architects and visualisation experts. This would include root cause investigation to take timely corrective action. Building a strong security architecture that minimises the risk of fraud in consumer markets. Periodic diagnostic risk reviews adhering to the defined anti-bribery and corruption (ABC) framework. And most importantly, training your employees and consumers on basic cybersecurity hygiene.

REGTECH ON THE RISE

With the increase in financial crime, regulators around the world are cautioning the public to stay alert for frauds. Malicious actors are specifically using the pandemic to create turmoil and seek profit from unsuspecting victims; profiting from the market volatility and chaos. During the time of crisis, it would be tempting for companies to bypass long regulatory procedures and save on time. But regtech is important now, more than ever. With teams working remotely and almost the entirety of businesses moving to the cloud, regtech tools and strategies would help stem the regulatory tide. Modern regtech or regulatory technology solutions are offering the possibility to implement systems that automatically monitor, analyse, organise, report, and take direct action on non-compliant events and prevent fraudulent activities.

WEALTHTECH

The pandemic exacerbates the investment challenges of an already difficult landscape. In this environment, self-directed brokerages (SDB) are experiencing issues with websites that aren't able to handle the trading volume. With fee compression we can expect to see an increase in consolidation. Some early trends reported here are:

- **Digital is the way forward** – there is no more ambiguity. Any firm without a digital advice offering is missing out.
- **No more hidden fees** – consumers are no longer tolerant toward hidden fees and unnecessary expenses
- **Hybrid digital investments** – investors have to be prepared for new investment risks when it comes to hybrid digital advice platforms and also deal with technical and capacity issues.

DIGITAL LENDING

Regulators worldwide continue to release new guidance and requirements to assist mortgage borrowers facing economic hardships due to the pandemic. With the aid of digital solutions, the mortgage or loan servicing and debt collection sectors are able to cut costs and create a new brand reputation. There are opportunities across the value to improve customer experience right from new customer orientation to billing and payments to fees and escrow maintenance. For instance, we provide low-code processing platforms that enable several clients to set up client-facing portals for loan processing and client servicing for retail and institutional users.

In this digital era of 2020, the BFSI sector will need to introspect and redefine its operations with a seamless digital-first approach. Customer-centricity should be at the core of their digital transformation journey to stay successful. Coforge continually strives toward helping its customers get the most out of their digital endeavours. For us, it means collaborating with our clients, employees, and partners to co-create durable value for the BFS industry.

Over the years, through the convergence of emerging technology, business innovation, and efficient processes we have taken an engineering-led approach to quality – mitigating risks while containing costs.

Opportunity costs for cynics

By Leda Glyptis

Since COVID hit, I have lost count of how many times I have been asked on panels, interviews and webinars, "what is the opportunity for banks and fintechs in this new normal?". If I am getting asked a lot, others are getting asked a lot so can we please stop this nonsense?

Unless you are in a specific vertical or offer a specific set of services, there is no industry-wide, generic opportunity that wasn't there before.

The things banks need help with may have been cast in sharper relief by the pressures of COVID, but they are not new.

The things that hold banks back from seizing the day – from procurement and compliance to risk averse over-reliance on tried and tested business models and from knowing the future will be different but not knowing what that means to haziness as to what their differentiating value-add may be in ten years… these things have not changed. Maybe COVID underlined them and shone another light at them but let's not pretend we discovered something new here.

The need for start-ups to be profitable businesses and not engines converting venture capital to user experience (UX) is not new.

The need for value-driven success metrics rather than valuation-based eulogies is not new.

Nothing is new here.

Even the pressures aren't new.

Just additive.

COVID has simply made the things that were urgent, more so.

The things that we knew were obstacles are even more pronounced. But it didn't shed light in the dark. It didn't open doors and it most definitely didn't accelerate adoption, despite the hollow triumphalism of banking panellists.

Signing a fintech pledge with Tech Nation is great. But what took you so long? And what are you doing next?

Investing in your digital channels is also great. But what have you been doing all this time? And why are you still thinking of the world in terms of channels? It's not 1999 anymore.

Celebrating the success the banks had is equally great.

Actually, it is.

Because anything and everything banks delivered during COVID, from extra features on their apps to changes to loan repayment schedules, was a feat of human creativity and hard work. So, they should be proud of and celebrate their humans who pulled out all the stops. But let's be honest with ourselves: had the banks invested in infrastructure a few years ago, what took two months of sleepless nights would have been done in an afternoon. And that is not great.

> "Investing in your digital channels is great. But what have you been doing all this time? And why are you still thinking of the world in terms of channels? It's not 1999 anymore."
>
> Leda Glyptis

Neither is the complacency that comes with "we made it". Because, if anything, it shows we are not learning.

It shows that COVID not only fails to create an opportunity, it seems to not even create urgency around the opportunities we have been missing and the cost of that inaction.

BETWEEN A ROCK AND A HARD PLACE

The fact that there is no renewed opportunity here doesn't mean that the opportunity cost doesn't keep rising. Up and up it goes with every day we waste, knowing what needs fixing but looking the other way hoping the next guy will fix it. Dealing with the urgent at the cost of the important. With the flashy at the expense of the impactful. And relying on our people to pull rabbits out of hats with inadequate tools and shaky corporate support.

The most common feeling among bankers is how much we achieve to do within our organisations and despite them. The fight and uphill struggle becomes a point of pride, a type of corporate self-flagellation, individual and organisational self-harming we all perversely value.

So, don't talk to me about opportunity.

Talk to me about opportunity cost.

Talk to me about how you measure the opportunity cost of all the things you didn't do that would have put you in a good place when COVID hit.

And no, your remote working resilience isn't what I want to hear. Especially as your HR policies and risk matrices mean that, once the office is open again but teams have to distance and take turns, you either have to equip everyone's home office, mandate presence or re-write the HR policy, so that gets added to the long list of governance items you need to get round to fixing to get out of your own way.

From procurement checklists to testing and go-live schedules and everything in-between.

Talk to me about what it cost you as an organisation to not have done all the things that were too hard, before COVID. All the things that you decided were not worth the cost, risk or effort. All the things that would have made coping with COVID easier. Because, had you done those things, your infrastructure would now empower your teams and customers to deal with the human tragedy without needing to work weekends and spend endless hours waiting for responses to queries that would only be truthfully answered with, "we can't do that but some folks are pulling all-nighters to make it happen" – so they are not answered at all.

If the COVID crisis presents us with an opportunity, that is not to do things differently but to be honest with ourselves as to the damage we have incurred for not having done things differently already, for squandering the time and opportunities we have been having over the last decade or so.

> "The only new opportunity COVID gives us is to be honest about the opportunities we missed."
>
> Leda Glyptis

That's the conversation.

Don't talk to me about opportunity.

I want to hear about opportunity cost.

I want to hear about the industry taking this moment and the pressures it brought to realise that we have long known the price of everything and the value of almost nothing. Definitely not the human labour that could have been channelled to creatively serving our communities if we had given them the tools to do so. And the time… that was instead spent patching 40-year old technology that we had the opportunity to change… oh… I don't know… about 40 times in the last few years.

The only new opportunity COVID gives us is to be honest about the opportunities we missed, the cynicism that led us there and the size of the cost that was carried.

And when we do that, we will realise the only true thing about opportunity, now and always, is that up close, as my old boss used to say, it always looks like hard work.

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

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

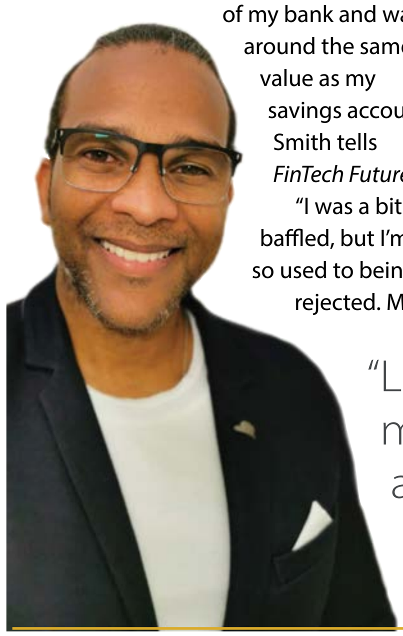
Follow Leda on Twitter (@LedaGlyptis) and LinkedIn (Leda Glyptis PhD). Visit our website for more of her articles.

Sticking their necks out

By Ruby Hinchliffe, reporter, FinTech Futures

Atmen, a challenger bank based out of the UK, was founded when co-creator Marvyn Smith realised there was a gap in the market – there were no Black British-led high street or digital banks.

He had applied for a loan during the COVID-19 lockdown, but his application was rejected. "The loan amount was relevant to the money going in and out of my bank and was around the same value as my savings account," Smith tells *FinTech Futures*.



"I was a bit baffled, but I'm so used to being rejected. My dad said I should just change banks. This was mid-Black Lives Matter protests, so I did some research. What I found was that all the Black-led banks were subsidiaries of African banks with offices in London."

Members of the Windrush generation set up the UK's first credit union back in 1964. Today, credit unions in the UK boast some two million members. But to date, no established, Black-owned, UK-founded bank exists.

MORE THAN JUST AN ACCESSIBILITY ISSUE

Whilst Smith's loan application fell short at the first hurdle, even after a Black customer lands a loan, it's by no means plain sailing.

"Looking back at history, loans have become more accessible, but with accessibility comes paying over the odds in interest and falling into the high-risk categories."

Smith is right. A study by Warwick Business School found Black entrepreneurs are charged higher interest rates.

Other reports argue that the higher rates simply reflect lower savings estimated by neutral credit decisions. But the algorithms which reach those credit decisions have been proven to carry their own biases.

In 2017, a survey of complaints to the ombudsman found Black victims of fraud are more than twice as likely to be denied a refund by their bank as a white customer. That's despite the fact ethnic minorities make up around just 10% of the population.

> "Looking back at history, loans have become more accessible [for Black customers], but with accessibility comes paying over the odds in interest and falling into the high-risk categories."
>
> **Marvyn Smith, Atmen**

> "A lot of Black businesses struggle, especially start-ups, when it comes to financing."
>
> **Dele Abibu, Atmen**

These reports point to the clear need for a Black-led bank, founded in the UK, which can empathise with the racial discrimination Black consumers and businesses still face.

BUILDING DIVERSITY FROM THE GROUND UP

For the past 20 years, Smith and his co-founder, Dele Abibu, have worked across an array of sectors in an interim capacity, implementing critical technology and software restructures.

"My face fitted the transformation scheme for a firm, but outside of that, I found myself handing responsibilities over," says Smith.

Smith and Abibu want to create an institution built for the Black community from the ground up. "Rather than putting something in place now, we're starting with diversity," says Smith. He believes that the 1.9 million Black consumers in Britain will choose Atmen over an incumbent or another digital challenger for this reason.

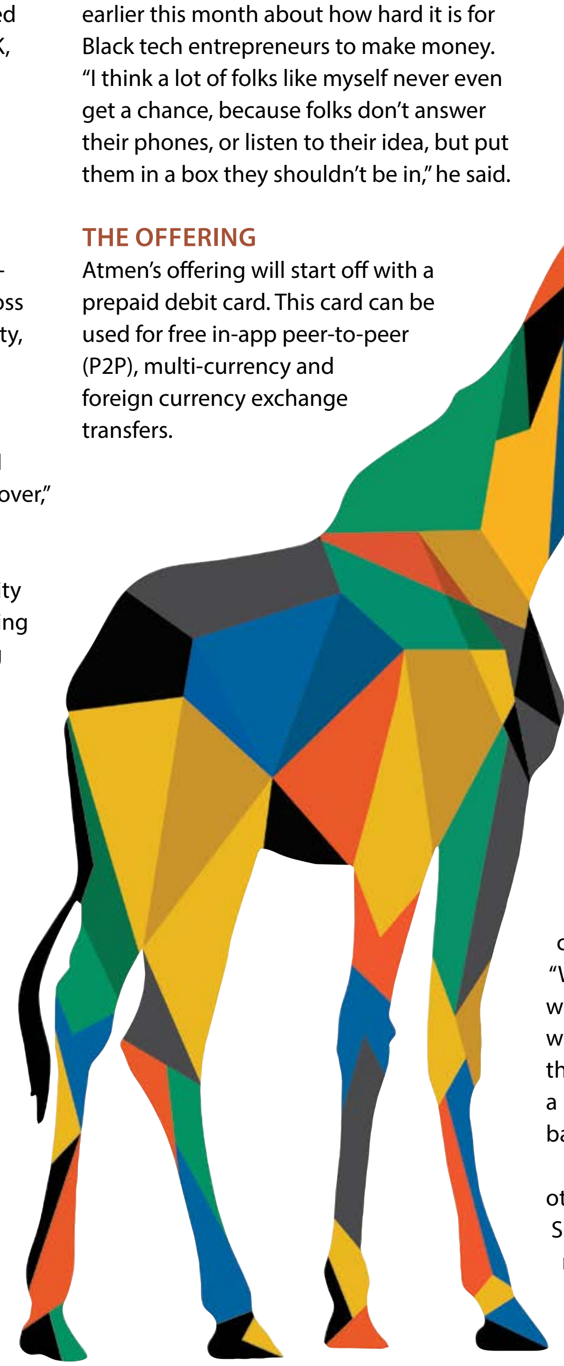
Currently in the swings of crowdfunding half a million, Atmen's team of two does have a number of contributors. They will become full members of the venture once the start-up lands its funding.

It only needs to raise £100,000 to launch but gathering backing hasn't been easy on some of these crowdfund platforms. "They're all singing the same story, which is: 'come to us when you have a revenue line'. That means we need customers and a product, but it's pre-seed," says Smith.

Zack Smith, founder of Boston-based Jobble, spoke to the BBC earlier this month about how hard it is for Black tech entrepreneurs to make money. "I think a lot of folks like myself never even get a chance, because folks don't answer their phones, or listen to their idea, but put them in a box they shouldn't be in," he said.

THE OFFERING

Atmen's offering will start off with a prepaid debit card. This card can be used for free in-app peer-to-peer (P2P), multi-currency and foreign currency exchange transfers.



These foreign exchange fees will make up a big portion of Atmen's income to start off with, as the start-up is tapping a community which commonly sends money back home to the Caribbean and Africa.

The Atmen app will be built on blockchain technology and use software from an undisclosed Banking-as-a-Service (BaaS) provider.

Once the challenger is up and running with its P2P offering, it will look to move into business loans. "A lot of Black businesses struggle, especially start-ups, when it comes to financing," says Abibu.

As well as a two-pronged revenue approach, the bank also has plans to expand across Europe and the US. Its BaaS already carries all the licensing the start-up needs to make this possible.

REINVESTING IN EDUCATION

But the vision isn't just to create a profitable, Black-led bank. It's to one day reinvest in the Black community.

"We want to reinvest in the communities lacking in education resources. In five years' time, it would be great if we could sponsor an education system."

Smith doesn't just mean a few talks, or the odd workshop, he means an entire education system. "It always comes back to education," he explains. "We've spoken to people – they've said we're crazy [for founding a bank]. But we want to give the kids at school hope that there can be something different in a society which appears to them to have barriers."

When Atmen comes up against other challenger banks and brands, Smith is confident that having this moral backdrop which reinvests in the community will encourage more consumers to change banks and money transfer providers.

The value of 20/20 hindsight

Anders la Cour, co-founder and CEO of financial infrastructure provider Banking Circle, examines the lessons of 2020, and how collaboration will be key to success for post-pandemic banking services.

Like almost every other industry, financial institutions of all types have been planning and implementing increased digitalisation for some years. However, COVID-19 and resulting nationwide restrictions undoubtedly accelerated the rate at which new tech and processes have been launched. It also changed the focus of research we commissioned at the start of the year.

A study was carried out amongst financial institutions in Europe to assess changing trends in the development, delivery, and support of banking services for businesses. However, timing is all and the research was refined to not only address its original objectives but also provide a unique snapshot of business planning and confidence at this critical and historic time in the life of so many providers.

BUSINESS AS USUAL

According to the results, the challenges most urgently focusing the minds of the best in financial services are aligned to a business as usual world: 58% said the impact of regulation was one of their top three challenges, and 53% listed the implications of constantly evolving expectations of customers as a top-three challenge. These are not new challenges; in fact, they could have topped any similar poll in the past ten years or more.

To meet these challenges, as well as newer challenges presented by the pandemic, financial institutions must look outside of their own business.

Collaboration is a key aspect of a futureproof business, even when the future is unclear. Payments businesses should look for other organisations as potential partnership opportunities, whether current competitors, partners, customers, or suppliers. The distinction between these categories is blurring all the time and it is increasingly clear that businesses are all in this together. Working together, providers can deliver new solutions more quickly and provide customers with a better service.

In this fast-paced and highly competitive market it is extremely important for banks, payments businesses and fintechs to understand the role of financial infrastructure alongside new applications, services and solutions, working together to optimise delivery of the right propositions to meet customer need. Financial institutions must take time to understand the future, using the lessons of the past – including those learned during the pandemic – to determine longer-term thinking around the infrastructure that enables success.

We still face a rapidly changing landscape, especially with many regions now returning to lockdown or increasing restrictions, but one thing became clear very early on: the importance of digital provision. Through the trials of the current global crisis, the value of digital has taken on new and immediate significance. 2020 has provided excellent learning opportunities and forced innovation that was long overdue in many areas, and 20/20 hindsight will be invaluable to futureproof businesses. This will help financial institutions of all types to regain clarity and confidence and see 2020 as a time that lay strong foundations for a bold new future.

A series of white papers based on the study is available to download at www.bankingcircle.com

I'M JUST SAYING...

Kids are banking's future... NOW!

By Dharmesh Mistry

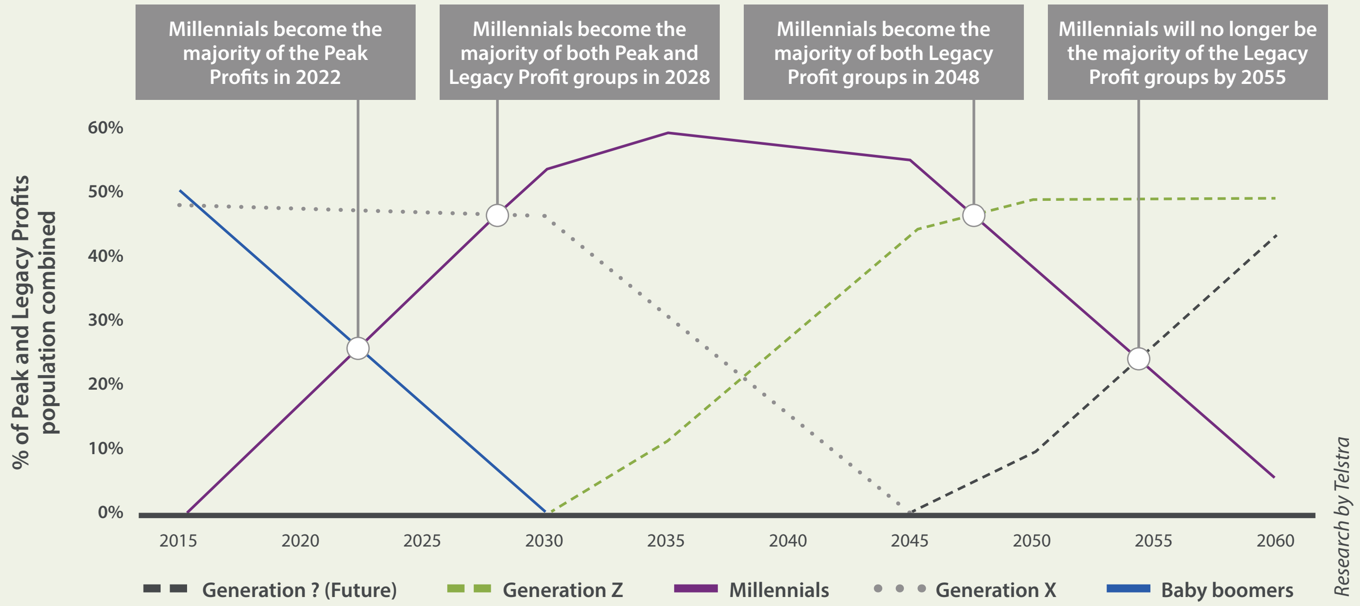
The first banks are widely recognised as providers of grain loans to farmers and traders around 2000 BC in Assyria, India and Sumeria. It has largely been a game of banking the adults since then, with an increasingly more diverse and complex set of products.

About 20 years ago that process began getting digitised, thanks to the efforts of companies like Netscape that took the internet public.

Since then much has changed, with technology, regulation, and wealth redistribution among the key themes. These are driving an increase in the commoditisation of banking but also in the things people want and the way they expect them to be delivered. Research by Telstra indicates that it won't be long for the Baby Boomers to be an irrelevant category for banks and for Generation Z to enter the aperture.

These customers are mobile-first, gamers and digital/social natives as distinct from their older brothers and sisters who are internet natives, thanks largely to the work of Gen X.

The future of banking isn't denying Baby Boomers of their cheque books. It is being relevant to a generation born in a technology ecosystem that makes handling vast amounts of information, connecting, interacting, winning and having fun being primary nature. Winning is getting ahead of that notion, building trust and skills by creating experiences for



them. The earlier you start the better you learn and that goes for the customers as well as the provider.

Roughly seven in ten parents give their children an allowance who receive on average $67.80 per month, according to a recent survey by the American Institute of Certified Public Accountants. Banks that acquire customers at a young age, through pocket money, have a great opportunity to convert and build relationships early. Banks can instil a sense of trust and value and convert them into being their main financial institute once they get their first job and have a first mover advantage when it comes to loan time. Banks also have an opportunity to pick up mum, dad, the grandparents, and the rest of the family if they get the value proposition right.

Despite the opportunity having existed for a while, the challengers and the incumbents are now piling in, according to a study by Moroku, a digital experience builder. ING, NatWest, Revolut, Caixa, HSBC and recently Starling are all getting in on the act. The Commonwealth Bank of Australia (CommBank) got into the market in 1931 with its Dollarmites programme and now attests that 20% of its savings volume is "youth related" as well as the largest loan book in the country. Analysts believe that CommBank's children banking platform is responsible for 8% of the bank's value or around $17,421 per child. 90 years later, others are catching on.

Fintechs spotted it somewhat later. GoHenry in the UK, Spriggy in Australia and Greenlight in the US have all been chipping away at banks' customers. Moroku with its ChoreScout platform has gained traction with its enterprise platform and has allowed its customers to launch much faster and with powerful features for gamification.

Kids aren't driven by "banking needs" but through a combination of fun, learning and purpose driven goals. They understand digital currencies from game play, they expect to personalise their apps, they expect an ecosystem of support through video coaching (YouTube), they want to share the achievements on social and often want to collaborate during their play. Just as the childhood skills of controlling a joystick have created jobs for drone operators, intrinsic skills and capabilities from games/apps they use today will be expected in banking's next generation interfaces. Banking the youth is less about the account and more about creating a model for next generation adults now, building great beliefs and values around money and stacking habits.

Of course, there is a social responsibility to educate kids and parents in money management, but banks are missing out by not capitalising on learning/experimenting with these new skills, values and beliefs of Gen Z.

I'm just saying there is an opportunity to learn how to "gamify" banking today through Gen Z, not just provide basic banking for kids. I guess the reason is that there is not a strong enough understanding of technologies like gamification platforms or that the link between Gen Z and next generation banking has not been made. Either way, there is a huge opportunity for banks. I am just surprised that the fintechs haven't fully exploited this sooner, so I'm guessing the issue is a lack of understanding about gamification platforms, and I hope to make that clearer next time.

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

FINTECH FUNDING ROUND-UP

Brazilian fintech, **Neon Pagamentos**, has raised $300 million in a Series C funding round led by equity firm General Athletic.

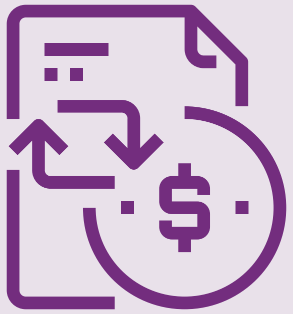
Among the new investors are Vulcan Capital, PayPal Ventures, and Endeavor Catalyst. Existing backers Monashees and Flourish Ventures have also returned for the Series C.

Founded in 2016, Neon offer credit cards, personal loans and investment products. The firm has raised $420.3 million in total over five funding rounds.

CloudMargin, a fintech start-up offering a collateral management solution, has landed $15 million in a Series B funding round.

Major banks Citi and Deutsche Bank, as well as exchange Deutsche Börse, have all weighed in on the start-up's largest investment.

CloudMargin offers to the sell-side and the buy-side, as well as outsourcers and technology firms, a cloud-based workflow for collateral management.



Canadian payments processing firm, **Nuvei**, has broken Toronto Stock Exchange (TSX) records with a $700 million raise on the first day of its initial public offering (IPO).

Nuvei announced intentions to float on TSX at the start of the month. The firm said it planned to sell as many as 26 million shares, priced between $20 and $22.

A surge in demand saw the company able to price its shares at $26 on 23 September. The shares rose again once it opened for institutional investors to $45.

Greenlight Financial Technology, a children's debit card start-up backed by JP Morgan and Wells Fargo, has landed a $215 million Series C funding round.

The Series C round was led by Canapi Ventures and TTV Capital. It also saw participation from Bond, DST Global, Goodwater Capital, Fin VC and Relay Ventures.

Greenlight last raised funds in September 2019, when major US banks JP Morgan and Wells Fargo bought in. Back then, the fintech had half a million users.

MarketFinance has raised £50 million from an Israeli asset management firm to continue lending under the UK government's Coronavirus Business Interruption Loan Scheme (CBILS).

Viola Credit stumped up the capital as MarketFinance launches a new application process. The firm offers a combination of business loans, invoice finance and revolving credit facilities.

MarketFinance says it has secured the funding to help those involved in the "last minute dash" to secure the government loans.

Cross-border payments firm, **Thunes**, has raised $60 million in a Series B investment round led by Helios Investment Partners.

Existing investors GGV Capital and Future Shape participated in the round, alongside newcomer Checkout.com.

The round is Thunes' second since its foundation in 2016. It snagged $10 million in a May 2019 Series A.

Atmen, a challenger banking service looking to "bring colour to banking", is in the swings of crowdfunding £500,000.

Founded by Marvyn Smith in June this year, the Black-led fintech start-up will look to address some of the "unconscious biases" communities of colour face in the financial industry.

Atmen in German translates as "To Breathe". According to the challenger's website, this relates to both the COVID-19 pandemic, and the "systemic institutional biases in society" highlighted by the murder of George Floyd.

You can read about Atmen on page 22.

Robinhood has bagged $460 million in extended funding just one month after it landed a $200 million Series G led by D1 Capital Partners.

The fresh capital puts Robinhood's valuation at $11.7 billion, an increase of $700 million since last month.

The latest $460 million came from existing investors. These include Andreessen Horowitz, Sequoia, Ribbit Capital, 9Yards Capital, and D1 Capital Partners.

Klarna has closed $650 million in an equity funding round, at a post money valuation of $10.65 billion.

The Sweden-based buy now, pay later (BNPL) firm has doubled its value which was previously set at $5.5 billion just over a year ago.

The valuation ranks Klarna as the highest-valued private fintech in Europe, and the fourth highest worldwide.

Silver Lake private equity firm put $500 million into the round, according to Wall Street Journal sources. Singapore's sovereign wealth fund GCI and accounts managed by BlackRock and HMI Capital, also participated in the funding.

Amsterdam-based **Factris** has raised €5 million in a Series A equity funding round led by AB Ventures.

Existing investors participating in the round include Speedinvest and Optima Investments.

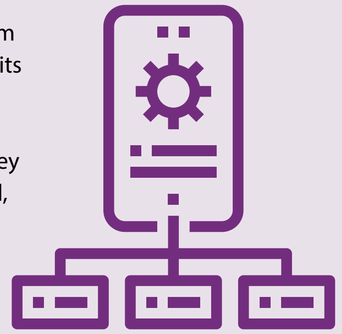
The start-up provides factoring finance, in which a business sells its invoices to a third party at a discount.

Factris plans on using its new capital to "help create more opportunities to finance businesses during this challenging economic climate brought on by COVID-19".

Hong Kong-based financial infrastructure firm **Airwallex** has raised $40 million as it closed its extended Series D funding round.

The round was led by Square Peg Capital, with participation from Skip Capital. Other key investors in the company include DST Global, Salesforce Ventures, and Tencent Holdings.

Founded in Australia and based in Hong Kong, Airwallex aims to help create low-cost, high-speed and transparent international available via application programming interfaces (APIs), as well as its business account and card.



Accounts payable and payments automation firm **MineralTree** has raised $50 million in Series D funding and acquired a pair of companies.

Its investment round featured existing backers Great Hill Partners, .406 Ventures, and Eight Roads Ventures.

The acquired companies, Inspyrus and Regal Software, are both in the accounts payable and payments space. MineralTree has acquired both to expand its positioning to middle market companies.

UK-based challenger, **Allica Bank**, has secured a £26 million investment and launched a new £100 million funding round.

The bank kicks off the fresh funding to support "accelerated lending" to British businesses and prepare for future acquisitions.

Its £26 million injection comes from existing investor and majority shareholder Warwick Capital Partners.

MOVERS AND SHAKERS


Jane Fraser

Photo: AP

Citigroup has become the first major Wall Street bank to appoint a woman as their next chief executive (CEO). **Jane Fraser** will succeed the bank's current CEO Mike Corbat.

Fraser's appointment is also a moment for the banking industry, which remains male dominated in its top ranks.

Fraser, a former partner at McKinsey, is already one of Wall Street's most senior women.

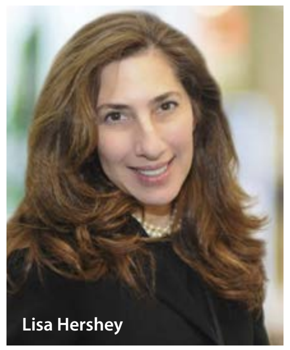
She spent 16 years at Citi and headed its consumer bank since last year. Before that, she headed Citi's Latin American business.

Colleagues praise her leadership skills and strategic thinking, as well as her fondness for practical jokes.

Revolut's first head of partnerships **Rishi Stocker** is leaving the start-up after joining the fintech back in September 2016 as one of its earliest employees.

Stocker's four-year-long stint marks his longest employment to date, having spent two years at Unilever and then a further two years at San Francisco-based Square-Trade.

"I now plan to set up a business of my own and I'm working on a few ideas in stealth," says Stocker in a LinkedIn post breaking the news. Details of what this venture will look like are yet to be revealed.


Lisa Hershey

Depository Trust & Clearing Corporation (DTCC) has appointed **Lisa Hershey** as its new chief compliance officer.

Hershey, whose appointment comes into effect on 1 January 2021, will report to DTCC general counsel Ann Shuman.

She has spent more than a decade at DTCC and is currently managing director for operational risk. Hershey also worked for Merrill Lynch for 12 years. She held various roles within Merrill Lynch's compliance, market and credit risk management, and capital market areas.

OakNorth, a UK-based SME lender and lendtech provider, has appointed **Raj Cherabuddi** as its new vice president of engineering.

Cherabuddi joins the firm following a year as a US-based start-up investor and advisor. Prior to that he spent almost eight years at Teradata, ending his time there as vice president of Teradata Labs.

At OakNorth, he will provide "operational and strategic leadership" to the engineering organisation. The firm plans to continue building out its credit analysis and monitoring capabilities.

US Bank has lost its chief digital officer to **Google** just over a year after he joined the bank.

Derek White, who carries with him more than two decades of experience across Barclays, BBVA and JPMorgan, has made the leap to Big Tech.

He is leading Google's global financial services as a vice president. White will oversee Google's financial services cloud efforts, competing with the likes of AWS and Microsoft for bank and insurance firm contracts.

Thought Machine, a London-based core banking provider working closely with Lloyds and Standard Chartered, has landed **Andy Maguire** as its new chairman.

Maguire is former global chief operating officer of HSBC and joined the technology company earlier this month.

He joins the fintech after spending the bulk of his career – 16 years – at Boston Consulting Group (BCG).


Andy Maguire

One of the UK's oldest online banks, **First Direct**, has appointed a new CEO, following the previous chief executive's departure in May – Joseph Gordon left after a three-year tenure to work for challenger bank Hayman AI.

Chris Pitt, previously head of marketing at HSBC UK, is First Direct's new head honcho. First Direct is fully owned by HSBC.

Pitt has spent a decade at HSBC holding a number of senior marketing positions. He also was marketing director at Tesco Bank for nearly five years.

FINTALK OF THE TOWN

THE SOUND OF SILENCE

As avid readers of this section know, the fly on the wall is often sceptical of those purporting to be specialists: we call them expertise experts. But in a stunning twist to an otherwise generic tale, we found ourselves bemused by an open banking expert. A simple interview request regarding the market participant's role and specialty subject quickly descended to farce as it became all too clear that the interviewee did not grasp the inextricable link between application programming interfaces (APIs) and open banking itself. The conditions stretched to absurdity, the suggestion to "not stray beyond open banking" resembled a request to talk about music provided we avoided straying into the irrelevant territory of 'sound': the interview promptly cancelled, our cynicism ever more justified.

MONEY (THAT'S WHAT I WANT)

It's been a frustrating time for several customers of two UK-based fintechs who had the temerity to try to use their funds. One user alleges that the fintech blocked their account from the start of the summer with no official notice and no assistance from chatbots. Another user – who lost their job amid the pandemic – found themselves unable to pay rent as a direct consequence. Even more surprising for these platform pioneers is the cold indifference from regulators and ombudsman services when they chose to escalate matters. How dare they expect the basic level of service one could expect from a regular bank: after all, shouldn't they have known withdrawing their money gets in the way of fintechs using it to make theirs?

MAN! I FEEL LIKE A WOMAN

A famously pink-papered publication managed to undermine their feminist credentials with an impeccable flourish: it is one thing to publish a story about an internal move within a large investment bank whilst opting to omit the woman's name in the headline, but the cherry on the chauvinistic cake had to be the decision to include an image of the bank's male CEO instead of the new appointee. As one Twitter user aptly put it, "how we tell the story matters; even what picture we use matters". The error was swiftly corrected, but screenshots uploaded to LinkedIn are forever.

EDITORIAL

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

Editor
Sharon Kimathi
+44 207 551 9010
sharon.kimathi@fintechfutures.com

Deputy Editor
Alex Hamilton
+44 207 017 4343
alex.hamilton@fintechfutures.com

Reporter
Ruby Hinchliffe
+44 207 017 5709
ruby.hinchliffe@fintechfutures.com

SALES

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

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

MARKETING

Marketing Manager
David Taylor
+44 207 017 5379
david.taylor@fintechfutures.com

Marketing Executive
Kiran Sandhu
+44 207 017 7377
kiran.sandhu@fintechfutures.com

DESIGN & PRODUCTION

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

ADDRESS

Fintech Futures
240 Blackfriars Road
London
SE1 8BF

PRINTER

Hobbs the Printers Ltd
Hampshire, UK

ISSN 0266-0865

FINTECH FUTURES