banking technology

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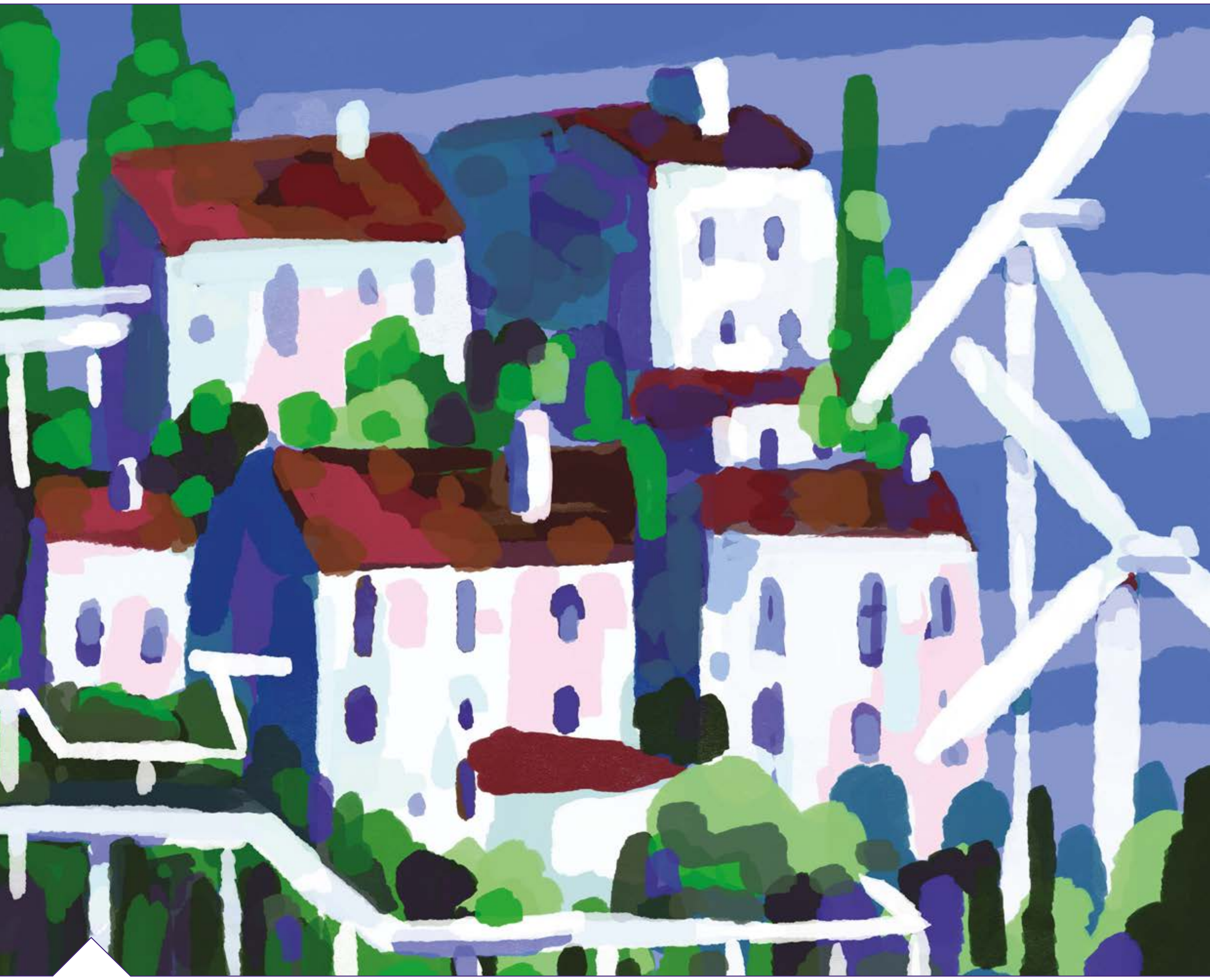

WINDS OF CHANGE
Tackling the carbon cost of technology

WE ALL NEED A JIM
The tale of a long-term relationship

GOOD PRACTICE IN BAD TIMES
Why banks should be there 24/7

Produced by FINTECH FUTURES

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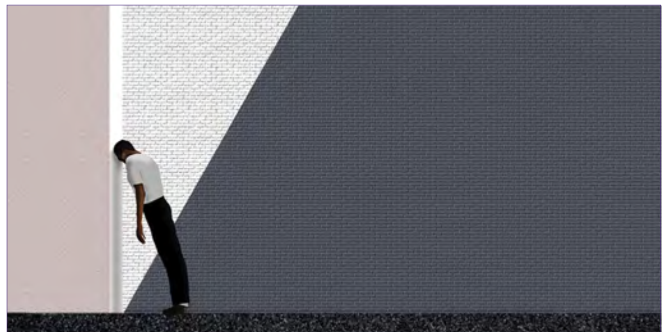

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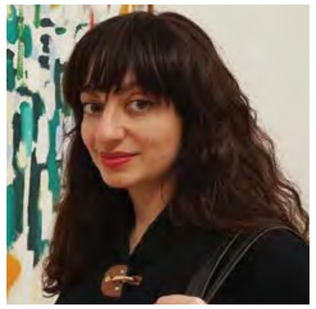


Tanya Andreasyan
Managing Director &
Editor-in-Chief,
FinTech Futures

Welcome to the April edition of *Banking Technology* magazine, brought to you by *FinTech Futures*!

Core banking solutions have been in the spotlight over the last month, with a number of notable renovation projects and also M&A activity. Yobota, a challenger core banking software vendor in the UK, has been acquired by local digital bank Chetwood Financial. The bank is among a handful of users of Yobota's tech and says the acquisition will enable it to offer a full Banking-as-a-Service (BaaS) product (see p5 for more details).

In a similar move, another UK financial services player, Oxbury Bank, has acquired its core banking tech provider, Naqoda. Launched in 2021, agricultural bank Oxbury is the only known client of Naqoda (which unveiled its core system in 2017). The acquisition comes hot on the heels of Oxbury's Series C funding round, which closed recently at £31 million.

Meanwhile, in the US, banking tech heavyweight Fiserv has just completed the acquisition of Finxact, a start-up core banking system provider. Finxact came with a price tag of $650 million and about ten clients.

In Ireland, An Post (the state-owned provider of postal services) is looking for a banking platform service provider to support its current account offering.

In the UK, a system selection is underway at the UK Infrastructure Bank (UKIB), a new government-owned bank. UKIB is looking for software to support the end-to-end banking process across loan origination, portfolio management, risk and compliance, treasury and finance.

In Jordan, Al Rajhi Bank Jordan is embarking on front-to-back office modernisation with ICS Financial Systems (ICSFS) and its ICS Banks Islamic system.

Waafi Bank in Malaysia and Union Bancaire pour le Commerce et l'Industrie (UBCI) in Tunisia are implementing the Flexcube core banking software supplied by Oracle FS. The latter is the first taker of Flexcube in Tunisia.

We also highlight various core banking renovation projects from around the world in this issue's Editor's Choice section (p7).

There's lots more on the pages of this edition, including the top news, punchy opinions, food for thought and expert analysis. As ever, we hope you find it interesting, informative and useful.

NEWS ROUND-UP

Green paytech ReforestPay to launch in UK and EU

ReforestPay, a new sustainability focused paytech, is set to launch for merchants in the UK and EU this year.

It integrates with most e-commerce platforms, including WooCommerce, OpenCart and PrestaShop. For every online transaction conducted through the payment gateway, a tree is planted and the customer is notified.

Merchants pay per transaction only (there are no sign-up fees). The transaction fee is 29p on top of interchange, card scheme and acquirer fees.

ReforestPay has partnered with Eden Reforestation Projects and intends to plant one million trees in the next five years. It also plans to expand into North America and Australia.

The company is part of the Reforest Group, whose stated aims are to reforest the world, fight climate change and make it easier for people to save the planet through the provision of affordable services.

Tech giant Apple snaps up Credit Kudos

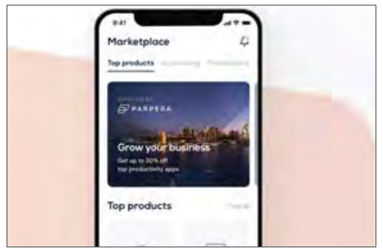
Tech giant Apple has acquired UK open banking start-up Credit Kudos in a deal reportedly worth $150 million.

Credit Kudos leverages machine learning to provide lenders an alternative to traditional credit scores, mining transaction and loan outcome data collected through the UK's open banking framework.

The firm was launched in 2015 by Freddy Kelly and Matt Schofield. It held a £5 million funding round in April 2020 led by Albion VC.

Apple has slowly built out a financial services portfolio, launching the Apple Card in 2019 and making various overtures to introduce its own buy now, pay later (BNPL) services.

Aussie fintech Parpera launches



Parpera, an all-in-one solution aiming to help sole traders manage their business finances, has launched in Australia.

Parpera provides a digital bank account with a Mastercard business debit card, invoicing, payments, cash flow and tax management capabilities, all in one app.

Parpera's banking partner is domestic challenger bank Volt.

Founded in April 2020 by Daniel Cannizzaro, Parpera has already raised AUD 2.7 million ($2 million) in equity funding and has an international team working in Sydney, Melbourne and London.

New US banking app Swell to launch in summer

A new US banking app called Swell, which combines checking, credit and more into one integrated account, is set to launch in June. Swell's parent bank Central Pacific Financial, based in Hawaii, incubated the firm for more than a year before spinning it out at the beginning of 2022.

Swell will also offer investing, home purchasing and cryptocurrency capabilities further down the line.

"The top five US banks posted record profits of $145 billion in 2021 yet 99% of consumers say their bank doesn't help them get ahead financially," notes Swell founder and CEO Kevin Dahlstrom.

Each Swell account comes with a Mastercard-powered debit card. There are no monthly or overdraft fees and users can withdraw cash fee-free from more than 45,000 ATMs across the US. The app will also embed Elevate Credit to offer personal lines of credit.

Earlier this year, Swell secured $10 million in Series A equity funding round that saw participation from Elevate.

Money transfer app Atlantic Money prepares for launch in UK


Neeraj Baid (*left*) and Patrick Kavanagh

A new global money transfer fintech, Atlantic Money, is gearing up to launch its app in the UK.

US expats Neeraj Baid and Patrick Kavanagh – early employees of trading platform Robinhood – set up Atlantic Money after wondering why "they were still being hit with £100s in fees for a service they believed was largely automated".

Atlantic Money will allow users to send up to £1 million for a flat fee of £3, at the live mid-market currency rate, with no FX margin. It claims users can save up to 99% against providers such as PayPal, Wise and Western Union.

The fintech came out of stealth in March and has raised $4.5 million in a seed funding round.

Challenger Chetwood acquires core banking tech vendor Yobota

UK digital bank Chetwood Financial has acquired core banking provider Yobota. The two companies were founded alongside each other in 2016 and have the same shareholders, but developed as separate entities.

In addition to providing core banking software to Chetwood, Yobota also claims a handful of other clients, such as Fronted, a fintech start-up for renters.

Chetwood assures that Yobota's customers and partners will be unaffected by the transition, and Yobota will continue to operate as a separate brand.

The bank says the acquisition will enable it to launch "a full end-to-end Banking-as-a-Service (BaaS) offering", hosted in the cloud.

Yobota founder and CEO Ammar Akhtar is leaving; existing Yobota management will continue to run the company.

Texas National Bank turns to DCI for new digital bank for bankers


Mike Fernandez

Texas National Bank has selected Data Center Inc (DCI) as its core system partner for a planned direct digital bank, Bankers Lender.

Bankers Lender is tailored to bankers and delivered through a digital platform. Application, approval and movement of funds will be online and through a single interface. Initial customer offerings are unsecured revolving lines of credit; unsecured closed-end loans; secured revolving lines of credit; secured closed-end loans; and demand deposit accounts.

Texas National Bank president and CEO, Mike Fernandez, says: "We are geographically constrained for branch growth, and the economy is not as strong in our markets." Hence the decision to set up this new bank.

Texas National Bank was assisted in its technology search by an entity called Bankers Helping Bankers. This is a new bankers-only platform designed for collaboration and communication among bankers. It connected the firm with DCI.

UK challenger bank Gatehouse looks to raise capital

Gatehouse Bank, a UK-based Islamic bank, is looking to raise additional equity capital and has appointed Strategy&, PwC's global strategy consulting business, as its adviser.

CEO Charles Haresnape says there has been "a significant increase in demand for Gatehouse services over the last three years" and there is "a huge opportunity ahead".

Founded in 2007, the bank now has total assets exceeding £1 billion. It operates in accordance with Shariah principles and offers savings products and finance for UK commercial and residential real estate, in addition to sourcing and advising on UK real estate investments with a focus on the build-to-rent sector.

FINTECH FEED

THE NUMBER GAMES

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

$200m
raised by SME financing platform Oxyzo Financial Services in Series A funding, making its founder, Ruchi Kalra, the first female founder in India to create a fintech unicorn

$1.1bn
the price tag of London Stock Exchange Group's BETA+ business, which provides back-office processing solutions to the wealth management industry, that is being sold to Clearlake Capital and Motive Partners

$575m
to be paid by US paytech Shift4 to acquire Israeli cross-border payments provider Finaro

$1.6bn
to be paid by Royal Bank of Canada (RBC) for the acquisition of London-based Brewin Dolphin as the Canadian bank looks to expand into the UK wealth management market

13
US credit unions converted to the FLEX core banking system last year

69
branches to be closed by HSBC in the UK as part of its "branch transformation programme"

60
branches to be shuttered by Lloyds Banking Group across the UK this year

$140m
civil money penalty issued to USAA Federal Savings Bank by the US Financial Crimes Enforcement Network (FinCEN) for "wilful violations" of the Bank Secrecy Act

€132m
offered by Danish neobank Lunar to acquire Norwegian digital bank Instabank

$22m
spent by fintech start-up Chari on the acquisition of Axa Credit, the Moroccan credit operations of France's multinational insurance company Axa Group

$35m
invested by London-based growth capital firm Vitruvian Partners into Berlin-based digital private equity investment platform Moonfare

THEY SAID IT...

"Many industries and companies are largely focused on extracting value from their consumer segment. We want to be the company that focuses on creating value for them."

Amir Hemmat, co-founder and CEO, Welcome Tech, speaking to FinTech Futures about the company's work to drive financial inclusion for immigrants in the US

• Click here to read the full article

TRENDING

Together we can give it some Thought

UK-based lender Together is embarking on back-office technology modernisation with Thought Machine.

The vendor, which is also based in the UK, says its flagship Vault core banking system will replace its legacy core software, forming the "foundation layer" for Together's new technology stack.

Established in 1974 and employing 600 staff, Together is a specialist lender, offering short-term finance, auction finance, personal, commercial and buy-to-let mortgages and secured loans to individuals and small businesses.

"Thought Machine's team have proven to us that the design of their product will enable us to migrate existing products and configure entirely new ones with speed and agility," says Gerald Grimes, group CEO designate of Together.

UBCI Flexes its muscles

Union Bancaire pour le Commerce et l'Industrie (UBCI) has become the first bank in Tunisia to sign for the Flexcube core banking system from Oracle FS.

UBCI provides services to retail, business and corporate customers. It gained a new major shareholder last year, Carte Assurances, which purchased a 39% stake from BNP Paribas for $62 million.

Following this, UBCI embarked on an enterprise-wide technology modernisation initiative. It went through a system selection process and chose Flexcube as its new core banking platform.

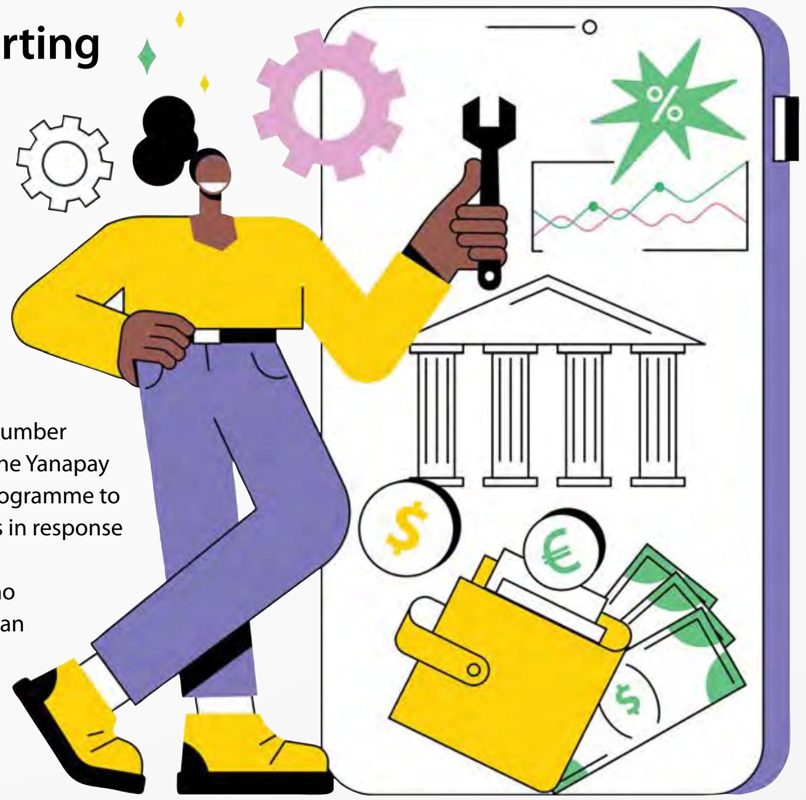
Profinch, Oracle FS's partner, will be working on the project as an integrator.

Temenos supporting Cuentas DNI

Banco de la Nación del Perú has gone live with a new core banking system, supplied by Temenos. The cloud-based Temenos Transact platform supports Cuentas DNI, the bank's new digital account.

The new accounts were created with the identification number (DNI) of each citizen, as part of the Yanapay Individual Economic Support programme to provide government relief funds in response to the COVID-19 pandemic.

Of the two million people who received a Cuentas DNI, more than 1.8 million previously did not have a bank account. It is estimated that only 52% of adults in the country are in the banking system.



Tuumthing good happening for LHV UK

LHV UK has tapped banking software start-up Tuum (formerly ModularBank) for a new core banking system.

LHV UK, which is a subsidiary of Estonian bank LHV, provides the banking infrastructure and payment services to more than 200 fintechs, including Airwallex, Coinbase and Wise. Its clients process 8% of the total SEPA transactions in Europe. It has also recently applied for a full banking licence in the UK.

Estonia-based Tuum and LHV UK first started working together last October, with the fintech using the bank's payments and banking account services. Now LHV UK has become Tuum's client.

The carbon cost of technology and what to do about it

By Dave Wallace

Meta is planning to build a data centre in the Netherlands. Not just a tiny run-of-the-mill data centre, but a massive one, the size of 1,300 Olympic pools, which will be the largest in the country.

Aside from the impact of the building on the proposed site's rural setting and local agriculture, reports suggest the predicted amount of electricity required is so big that it is forcing the Dutch government into altering its climate goals.

Local people and activists have banded together to protest that this data centre will suck in a huge amount of the green energy (Meta has net-zero goals) produced by the Netherlands.

To put it in context, the data centre will consume 1,380 gigawatt-hours of electricity, the equivalent of 10% of Dutch wind energy production (yep, you read that right).

On the other side of the argument are those who see the positives of embracing the Meta opportunity. They also point out that the protestors are very active on Facebook and Instagram to raise awareness of the cause.

Oh, the hypocrisy, they cry.

This story encapsulates the 'Three Cs' dilemma that countries, companies and citizens face as they plan for net-zero.

On the one hand, Meta (the company) clearly states its commitment to net-zero in its corporate communication: "Starting last year, we achieved net-zero emissions for our global operations, and we're supported by 100% renewable energy. To achieve this, we've reduced our greenhouse gas emissions by 94% since 2017. We invest enough in wind and solar energy to cover all our operations."

Then you have the Netherlands (the country), which must juggle commercial opportunity with its climate change targets. It has to decide whether the opportunity is more important than anything else when divvying up the renewable energy it produces.

Last but not least, there are the citizens, who are stuck somewhere between them both.

The one clear thing is that understanding these dynamics is good for ensuring transparency and public debate around the climate change agenda for all concerned.

DOWNSTREAM IMPACTS

Financial services companies face this Three Cs dilemma as they think about their net-zero targets.

Banks and, in particular, neobanks are essentially technology businesses. And digital transformation has increased and will continue to increase reliance on technology. It is incumbent on every bank and fintech to understand how much energy its operation consumes and the downstream impacts of its decisions.

I recently chatted with Eric Zie, founder of GoCodeGreen, which uses diagnostics based on scientifically recognised analysis techniques to provide a carbon performance rating on a company's software.

Eric's view is that software is at the heart of digitisation, and it must become more efficient and planet-friendly for climate targets to be reached. The sector is a massive polluter. In 2020 it generated 1.4 billion tonnes of CO2 (the same as all the air travel taken in that year) and consumed 4% of global energy. Some examples include:

- An Outlook email generates 17g of CO2
- A Google search generates 8.2g
- A Visa transaction generates 0.45g
- A single Bitcoin transaction generates 853kg

There is even a tool called greenframe.io that will analyse a website's carbon footprint and report back with a figure per visit and predictions over a year.

Eric tells me: "For many companies, most of its environmental impact lies in its value chain – the so-called Scope 3 emissions, of which technology accounts for a large proportion. For neobanks and fintechs, this can be significant. Through the carbon analysis of its software, a company can make informed choices about what to do to reduce, avoid or remove carbon cost. For example, when purchasing software, the tender process ensures that the latest sustainable software standards have been used in its development down to coding practices."

One thing that was interesting about what we discussed was that the response to his analysis had overall been very positive, particularly from those that Eric describes as "pioneers".

However, some have had an adverse reaction to the results. The reason I mention this is that it highlights another problem with de-carbonisation. If we have a better idea of what is going on, it is more difficult to do nothing, which for some can be a bitter pill to swallow.

BE INFORMED

The financial services sector and the software and platforms it relies on represent a massive opportunity to make a real difference in the de-carbonisation agenda. Companies' choices are critical, particularly when taken within the broader context of the countries in which they are present.

When looking at projects, is the carbon footprint currently a consideration? By being informed, institutions will be better able to make the right green choices in procuring, developing, hosting and managing software and thinking through how it will run and be used.

And finally, I would love to understand the carbon footprint of this article.

How about an audit, FinTech Futures?

Every action has a carbon cost, from writing to publishing to sharing and commenting. It would be interesting to see what it is!

Note: *The FinTech Futures homepage generates an estimated 4.66g of C02 per view, according to online carbon calculator Website Carbon. FinTech Futures is part of Informa Connect. You can read more about Informa's net-zero goals and sustainability initiatives at www.informa.com/sustainability/climate-impact.*

Dave Wallace is a user experience and marketing professional who has spent the last 25 years helping financial services companies design, launch and evolve digital customer experiences.

He is a passionate customer advocate and champion and a successful entrepreneur.

Follow him on Twitter @davejvwallace.

Do cross-border payments have to be so complex?

By Rasika Raina, senior vice president, strategy and transformation, Mastercard Cross-Border Services

Never before have so many people and businesses relied on the ability to send money quickly and securely around the world.

During the pandemic, cross-border payment services have provided a lifeline to many and allowed others – including small business owners – to seek out new opportunities. With travel restricted, more people have been sending money overseas electronically, while many businesses moved online, sourced international suppliers and embraced new ways of reaching customers around the globe.

Whether a small business owner being paid by a customer on a different continent, or a migrant worker sending money to family in their home country, more and more people are making and receiving cross-border payments. And as they do, people have understandably come to expect them to be as quick, easy and reliable as domestic transactions.

INEQUITIES, BARRIERS AND ISSUES IN CROSS-BORDER PAYMENTS

However, for many this isn't yet the case. Historically, and often depending where someone lives, they can still experience barriers and inequities on a daily basis when trying to send or receive money across borders.

With Mastercard's Borderless Payments Report we wanted to better understand these challenges – surveying thousands of consumers and businesses around the world. What we found were high levels of complexity and risk that hindered them when making cross-border payments.

For example, one Dubai-based worker told us how he needs to wait several days to find out if money he has sent back to his family has arrived safely. Another told us that they are routinely caught out by high and unpredictable exchange rate fees, as well as times when human error by payment providers means their money doesn't reach its destination.

For businesses, it's a similar picture. A small business owner we spoke to in the US said that she often sees her international transactions denied, despite the funds going to a regular payee. In India, one supplier told us how they often had to wait weeks or months to receive payments for goods, while a business owner in Thailand worries about fraud and data loss when making international transactions.

ACCELERATING INTERNATIONAL COMMERCE AND CHANGING CUSTOMER DEMANDS

Despite this, cross-border payment services have played a significant role in enabling many to weather the impacts of Covid, and even help some businesses grow during this difficult time.

Some 40% of people we surveyed across the globe said they're sending and receiving more cross-border payments than before the pandemic. And of the businesses we spoke to, the majority said they intended to do more international trade in the future by taking advantage of new opportunities and combatting risk by not relying on one supply chain or market.

There is a clear appetite amongst businesses to capitalise on the potential benefits of cross-border payments. As an industry, we have an opportunity to create a simpler, less risky system that not only supports them but also boosts trade and commerce across the globe – something vital as the world's economies look ahead post-pandemic.

We've already seen lots of innovations in the payment space that are helping cut down on complexity. Advances in network technology have made processes quicker and more streamlined, and distributed ledger technology means that transactions can be recorded in multiple places at the same time.

There is a determination by the world's most vibrant economies to make progress in this space. G20 nations have made enhancing cross-border payments a priority and in 2022 will set out next steps on the roadmap to improving this. Success will depend heavily on cooperation between national authorities and private sector providers, but the rewards of reducing complexity and increasing transparency are already apparent.

WHAT CAN INDUSTRY DO TO BREAK DOWN COMPLEXITIES AND RISK?

A priority for the payments industry should be to reduce the complexity of sending and receiving payments across borders and give people reassurance that their transactions will be processed quickly and reliably in all markets. This is why our focus has been on expanding our cross-border services to more than 100 markets, covering more than 90% of the world's population, while providing transparency on upfront costs and greater predictability for fund delivery.

We're growing the number of markets where we can deliver funds to bank accounts in real-time, as well as digital wallets, cards and in cash. We've also invested heavily in technology to combat crimes like money-laundering, giving customers greater confidence when undertaking international payments as we know half of people globally worry about the risk of fraud when it comes to cross-border payments.

Cutting out complexity and risk from cross-border payments is key to boosting global trade and facilitating economic recovery. By working with banks, non-banking financial institutions and digital platforms, we can provide a single connection to reach the entire world. We want to break down barriers to cross-border payments so people can focus on what really matters – supporting their loved ones and growing their businesses.

A banker goes a-banking: the grateful dead

By Leda Glyptis

It has been almost two years since the last installment of 'A banker goes a-banking'.

Did you miss it?

Yeah, me neither.

But misery shared is misery doubled so here we go again.

I have an account I don't use very much. It has a small savings sum in it. It is, for now, sitting there.

It gives me comfort to know it is sitting there. There is a plan here that I am working to but my plan isn't visible to the bank and all they can see is that it is sitting there.

So.

A lovely relationship manager has been in touch – persistently but not irritatingly it has to be said; I like him a lot – to get me to engage his services and put this money to work. That's actually great. He is proactive, gives me options. Very nice stuff.

To give me those options, he has been engaging with me (email, phone, the works). This is important as it means he knows I am alive. He also knows why there is no activity in the account, in or out. And he also knows that about a year ago, when they upgraded their app, I was locked out because of a variation to the spelling of my name that hadn't been a problem when I opened the account but became a problem when they upgraded their systems. He knows it took the best part of a month to restore access to my account and he knows, further, that he, Jim, the relationship manager, was my saving grace here. Especially as one of his colleagues had attempted to reach out to me and not only had done zero prep as to who I was but made me question his understanding of KYC. But that is a story for another day.

So. Jim knows I am grateful to him.

Fast forward to this story. Prompted by Jim's valid questions and given I already value him, I tried to log on to the account and think through what he had told me.

No dice.

They had upgraded the app and as a result my credentials were voided. Here we go again.

Why?

That's the rule.

Why?

Because.

Because what? Because after a certain amount of inactivity they consider an account dormant.

Right. So.

If I have some savings and I was lucky enough to not have needed to spend it but not so lucky as to get to save more in a given period of time, what exactly do you need me to do to prove that I am not dead, given your RM has spoken to me as recently as last month?

Move a dollar back and forth.

For real.

Right.

Where did you indicate I needed to do that?

Nowhere. Of course.

So here I am. Not dead.

Locked out of the account, again.

Jim running to the rescue, again. Grateful to Jim, always.

Jim doesn't have access to any of the systems he needs. He is just a helpful man. So.

He took me through the first step of the process, one identifier is reset. You know those 12-digit alphanumeric codes you have to write down and forget immediately? He did that for me and didn't chafe at my multiple questions around why we are doing identification as if it was still 1994.

Then he passed me on to the other team (and he hacked the phone-in system, taking it upon himself to get permission from a supervisor to patch the call through so I wouldn't have to wait). But then I was not in Jim's care anymore and the problems started. Because they put me through security and did whatever it is they needed to do to generate another code, the second code required. And I was meant to receive this second alphanumeric code 'by midnight' like some kind of accountants' coven. Then I had to call back to the dormant accounts team and tell them I was not dead. But no. The two numbers issued by two separate teams who needed to validate I was not dead and I was indeed who I said I was did not suffice.

> "Are you satisfied I passed my security questions? That I am me and I am alive? Yes, said the man. So can't you click 'not dead' on your systems?"
>
> **Leda Glyptis**

And yes, I asked.

Are you satisfied I passed my security questions? That I am me and I am alive? Yes, said the man. So can't you click 'not dead' on your systems?

No ma'am, I don't have access to that. The dead button requires special clearance.

Now I don't need to tell you that the text didn't come, do I?

That I had to email Jim, bless him, who is running around trying to solve this. And solve it he will. But.

But.

Having confirmed my email and phone number to the man who was not Jim on the phone twice, I got an email that said the text didn't work and I should have told them my number had changed and could I call them back. It genuinely felt like the email was rolling its eyes at me.

Seriously. Sometimes it feels like my bank is an elderly Greek relative. You don't call enough, I need you to pick up the phone more.

Jim will fix it, I have no doubt (this reference may be wasted on the non-Brits among my readers, but have no fear, you are really not missing much).

But, frankly, Dear Bank, you don't deserve Jim.

And although I hope he stays put long enough to help me solve this, again, I also hope he thinks to himself, 'none of this makes sense. I spend my days working around rules that have no basis on need, just the constraints of antiquated systems and unthinking procedure-following. I live my life at the whim of systems that have been obsolete for years. Better is possible. And I want it. Because I don't want to spend all my energy running like crazy to help this behemoth stand still'.

Just saying.

At a time where 'better' is both possible and accessible (seriously, give me a call Dear Bank, I can fix this for you), how much longer will the Jims of the world carry on working for you, carrying your deficit and squaring the circle to keep the customers with you one more quarter?

And before you say, 'yeah, well you're still here, aren't you?', just ask me again what my answer will be if Jim calls me and says, 'I have enjoyed working with you, I am moving to such and such an entity and I am wondering if I could take my portfolio of clients with me.'

Cos I'm going with Jim.

#LedaWrites

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

All opinions are her own. You can't have them – but you are welcome to debate and comment! Follow Leda on Twitter (@LedaGlyptis) and LinkedIn (Leda Glyptis PhD). Visit our website for more of her articles.

Growth shouldn't come at a high human cost

By Jed Rose, general manager of EMEA, Airwallex

Fintech is one of the most well-funded and fastest growing areas of emerging technology.

In the UK alone, fintech investments topped £27.5 billion in 2021, which is a sevenfold increase compared with 2020. This incredible growth rate is a reflection of the market opportunity. Instead of relying on traditional banking systems built decades ago which are not always fit for purpose, there is a significant opportunity to innovate through listening to customers to build something truly impactful.

While this offers a lot of promise, it can bring numerous challenges for the industry. The pressure to be the first to market a new product, remain on top of competition from fellow disruptors and maintain a strong culture while building a high-growth environment can lead to a disjointed workforce. Yet high-speed growth shouldn't come at a high human cost.

DEBUNKING FALSE PERCEPTIONS

The notion that growth and innovation in the fintech industry are dependent on an unhealthy workplace culture that asks too much of staff is not a foregone conclusion. This will become clearer as fintechs grow in value and proliferate, as there will be more competition to recruit and even more success stories to showcase the long-term value creation of a positive culture – not only with the products and innovation, but also with the people.

The reality is that only a small group of fintechs take the 'move fast, break things' motto to the extreme, which can often lead to employee burnout. However, due to rapidly increasing valuations, these outlier examples can become more visible in the news and create a misperception of an endemic issue in the sector.

The fintech industry has a moral duty to not only look after its employees, but also to prove this perception is wrong so that great candidates are not discouraged from a promising career in the fintech sector. With greater diversity of talent and a more inclusive working environment, companies will be better positioned to be competitive in the long term and attract both employee talent and customers.

A hyper-growth fintech can be built without sacrificing a supportive team culture. Rather, by committing to building a moral fintech, businesses can increase their chances of success. For instance, offering true employee support increases the chances of retaining talent with a good understanding of and a passion for the product and how it positively impacts real customers.

In order to scale, fintechs need to take into account long-term value creation and ensure a superior customer experience, including among employees – starting from their very first interactions with the business. Tracking employee favourability towards your own products is a great way to confirm if your teams understand the value your business is bringing to the broader market.

IMPROVING THE HIRING PROCESS

Ultimately, taking on new people is both a thorough process and a leap of faith. For certain roles, it can be difficult to identify the top talent to onboard. However, steps can be taken to enable quick yet intentional hiring so the business is supported as it grows.

Interviews are a two-way street: interviewees need to be honest about what they're looking for and fintechs need to sell the business truthfully to secure – and keep – the best talent.

During the actual interview process, building rapport enables new potential hires to open up more quickly and as a result, provide clearer insight into whether they are a good fit for the company. Establishing rapport from the start also helps encourage retention by setting the tone for an environment where employees have a voice and are valued.

Regular customer and employee surveys as well as partner rankings all play a role in not only illustrating a positive work environment, but also helping the business to keep improving in response to feedback. Many prospective applicants will ask about culture or for a response on recent feedback from an employee. Having a bigger picture view of your strengths and weaknesses can help ensure applicants get the right impression that building a strong culture is a real priority for the business.

There are key traits hiring managers can look for in new hires – such as mapping their qualities and experience to business needs. For example, international expansion requires talent across markets, so for those businesses looking to expand, local talent with an understanding of the market will prove to be an invaluable asset.

> "A collaborative in-person or virtual work environment creates a great space to gather different perspectives and support one another with complex problems."
>
> Jed Rose, Airwallex

Given the speed of change in the fintech industry, employees should possess a willingness to learn, communicate and collaborate with colleagues to keep up with the pressures to innovate rapidly. Hiring with a view towards culture and values fit is also a non-negotiable for ensuring teams are set up for success longer term.

BALANCING THE NEED FOR SPEED WITH A SUPPORTIVE WORK CULTURE

Encouraging people to move fast should be done in a way that's supportive. Ideally, teams need people who can handle the speed of working in a fast-paced environment and who are supported to be able to present new and exciting ideas to drive the business forward.

A collaborative in-person or virtual work environment creates a great space to gather different perspectives and support one another with complex problems. Openness and willingness to cooperate between team members helps fintechs succeed in the short and long term.

Importantly, a supportive work culture should be driven by a management team that wants the best for every individual and takes the time to know what that looks like. Specific actions to understand this include quarterly employee surveys to hear and take into account employee feedback.

It's also important to show evidence of teams embracing company values and succeeding, whether that recognition comes through employee awards or something as informal as weekly shout-outs. Encouraging the team to take time for their own interests and social events, from book club Slack channels to a running group, is also key and helps build team morale. It also ensures everyone feels they can bring their full selves to work and be authentic.

The fintech industry is filled with high-growth aspirations but no business is perfect. Ultimately, every business leader needs to be willing to learn from mistakes, try something new and grow in line with employee needs.

ENSURE EMPLOYEES' VALUES LINE UP WITH THE BUSINESS

Another key factor in long-term business growth success is alignment. Differing values can be a recipe for disaster. To create a good culture, the organisation's values must be clearly articulated to staff and management must stay true to those values.

Alignment is key to an upward trajectory. Ensure teams are focused on the most important priorities for the long-term growth of the business. For example, have targets that the whole team can get behind, with each person confident in their individual role for supporting the business's bigger goals. Efforts from individuals and departments must move in the same direction to maximise potential impact for what matters most to the business.

Needless to say, it is important to embrace and respect different cultures, both within and outside of the organisation. This means staying true to the organisation's values but recognising that an engineer in Hong Kong might interpret them slightly differently to a salesperson in San Francisco.

If fintechs are to continue their growth trajectory, they need to be able to encourage great talent to enter the sector and ensure staff remain motivated to stay. To do this, all fintechs need to set the record straight on what it takes to thrive in this industry: high-growth does not require an unhealthy work culture.

Employee churn can be a major problem for a company that's growing. But when fintechs can demonstrate that they can value their employees, customers and partners while achieving high growth, they will be setting themselves up for success with a strong culture that is compatible with long-term growth.

Dream of platformification

Arun Jain, chairman and managing director at Intellect Design Arena, explains how platformification benefits the financial institution and end customer alike and how the Intellect offering plays to that in key global markets like Europe

Platformification, ecosystems, microservices – all are words bundled around to describe the trend towards a platform approach where multiple components or microservices sit on the platform using application programming interface (API) rails. It enables an ecosystem approach that is tailor-made to the financial institution's needs. It marks a sharp contrast to a "one size fits all", off-the-shelf approach and makes for the ability to have a flexible and future-proof toolset to meet the needs of today as well as tomorrow.

Service design has become more pervasive, thus leading technology and product managers to think about leveraging design thinking and contextual data-centric techniques to connect people and customers moving across disparate services and product pools. These contextual experiences encompassing multiple customer touch points have become the guiding star for the financial services and banking ecosystem.

The banking and financial ecosystem has seen a steady emergence of a broader ecosystem focused design thinking mindset that has replaced individual product-centric approaches to management.

Intellect has had an exciting journey that has been leading up to its shift from being a product provider to a platform provider. Now, it provides the means for institutions to successfully adopt a platform approach and transform their businesses. As one of the leading products companies, with possibly the world's only next-gen, composable, contextual fintech platform, it caters to the entire spectrum of banking and insurance covering retail banking, transaction banking and wealth management. The footprint of Intellect covers more than 97 countries, with an enviable roster of clients.

"We provide a broad range of solutions. Our decision to focus on a platformification approach reflects what we saw happening in the market. Banks were missing the ability to use a platform to build out their own bespoke ecosystem that responds to their exact needs," Jain explains.

HOW DOES IT BENEFIT BANKS IN PRACTICE?

"The pandemic has pushed the customers to realise the value of building a strong and thoughtful customer experience. As a result of this, banks looking to effectively segment and then personalise their customer offerings have significantly gone up. You can only really do this if you are able to build a personalised and tailored product suite or toolkit – this is componentisation," says Jain.

The Intellect Open Finance Platform has over 250 packaged business components and more than 900 APIs providing 600 user journeys across core banking, lending, credit cards, central banking, payments, liquidity, collections, trade, supply chain finance, treasury, underwriting and wealth. "It can cut the total technology cost down by three to five times," Jain says.

He continues: "This allows for vertical and integrated offerings – thus, enabling banks to become the principal service provider to their customers, thanks to their ability to provide any mix of functionality and process. We serve ten million transactions each day and have more than 10,000 users."

The idea is to provide a comprehensive repertoire of packaged business components; contextual, curated solutions that address specific market needs of a customer, rather than generic product offerings. Gone are the days of monolithic systems that rely on legacy, Intellect enables the bank to critically understand, evaluate and cater to their individual needs.

Through Intellect's solutions, the banks can pick and choose what they need according to their unique needs as we extensively focus on not building a huge behemoth "one size fits all" solution.

"You are building something that is agile and whose parts can communicate with each other so that data and information can seamlessly travel between component parts. You have integrated flows and processes set up in the exact way you want them to. In this way we are providing solutions that are unique to the organisation in question," Jain says.

Treasury is a good example of how this approach helps with operational excellence. The treasury function relies on managing high data volumes and securing fast decision-making, and risk management. With the help of Intellect's solution, the clients have both security and efficiency integrated into treasury management. By focusing on creating integrated flows and processes according to the client's unique needs, we ensure that we are able to build and sustain a strong notion of customer loyalty.

Banks and their customers also want real-time access to data, strong analytics capability and the ability to bring in new technologies and functions to better support the business. The use of artificial intelligence (AI) and robotic process automation (RPA) to support this, where relevant, is also an expectation.

Any platform can offer the capability to do these at a basic level and in isolation. But the clever use of joined-up processes and thinking makes for straight-through processing (STP) for rapid execution backed up with strong risk management. By combining critical elements like this, we ensure that banks can access rich information and analytics in real-time, thus helping them make better decisions and improve time after time.

"The ecosystem approach relies on the platform to tie it all together."

Arun Jain, Intellect Design Arena

"The ecosystem approach relies on the platform to tie it all together and make sure that things really are seamless, well and speedy. This is where we come in," Jain says.

DESIGN

The second area that is really important is the user experience (UX) or design. In layman's terms, this means that a platform should be easy and intuitive to use as well as be visually attractive. Jain cites design as being the company's key differentiator in enabling digital transformation.

"The design elements are very important – by this we mean not just having the right functionality but being easy to use, tweak and customise as well," he says. "Banks and banks' customers alike need to have their lives made easier and their UX needs to match their personas and make the most of the visual customisation at the front end."

Wealth management and retail are good examples of how decent design adds value to the system. Let's consider that the front end is a dashboard and that it is responsible for linking many underlying systems or elements. It is undeniable that by configuring the dashboard to their exact requirements, an adviser will have the ability to easily present their clients with up-to-date and relevant information. By having all that at the touch of a button, the adviser is able to add more value to ask and spend more time with the client, thus focusing on building customer engagement and loyalty.

"If you have the very best systems and tools, you can automate and free up the adviser to spend time with the client – thus enhancing service levels. The same principle applies elsewhere – no matter if you are trying to get a volumes-based automation approach or something that is tailored and personalised. The aim is to max out the technology so that the service level is upped and the humans within the process have more time to spend with their clients," Jain says.

A CLOUD-BASED SAAS APPROACH IS THE MAGIC THAT MAKES ALL THIS POSSIBLE

Jain thinks that banks understand this is not their core area. "Having a cloud-based approach where data storage and analytical capability are massively increased and improved takes the worry of in-house management away. They end up with something that is far more agile and beneficial than a huge off-the-shelf product that they then spend time tweaking," he says.

Intellect invests in the dynamic process of changing today's digital era with its solutions that hinge on authenticity, context and efficiency. With regulatory and competitive considerations putting pressure on revenues and incomes, the company sees that the banks and financial institutions are constantly looking for innovation to drive revenues and income.

Being able to drive sustainable value in the banking sector requires understanding and managing the three-dimensional complexity of the ecosystem.

Intellect is ready to enable organisations that deal with selling knowledge and solutions to problems or entire customer experiences that are built on the principles of excellent customer service, innovation and future-ready aspirations.

Banking for the bad times and the good

By Dharmesh Mistry, CEO, Askhomey

"It's tough to make predictions, especially about the future," is one of my favourite quotes from Yogi Berra.

For me, this has never been as true as it is now. With first Brexit and then Covid, the impact on economies, markets and households has been increasingly difficult to predict.

As we face another global crisis with a war in Ukraine, I am again concerned, mainly of course for the people of the country.

I'm also concerned again about households around the globe that will feel the war indirectly through cost of living rises in part driven by the conflict. This time the economists are broadly in agreement that there will be huge impact.

The Resolution Foundation has said that rising oil and gas prices will hit UK households with a 4% drop in income, which is around £1,000 a year. The Centre for Economics and Business Research Consultancy estimates the impact will be £2,500 annually per household, the largest fall in UK income since 1955!

While the government will be providing support to the poorest households, as it has during Covid, responsibility to manage this situation lies with us all, and the focus of my posts is really on banking.

So, the question is, what can banks do given this gloomy backdrop?

Banks themselves are predicting the rise of interest rates to combat inflation. However, the Moneyfacts UK Mortgage Trends Treasury Report shows that there was a drop of 518 mortgage products available to borrowers at the start of March. This is the biggest drop since May 2020 when countries globally were locking down for the pandemic.

The obvious answer to my question is banks should help households save money. But the challenge is how? Some banks and fintechs, such as Snoop, offer switching services to help consumers get better deals on gas, electricity and other services like broadband and TV.

However, in the last year a number of utility companies have folded, and not only have options to switch been reduced, but I dare say consumer confidence in switching has reduced. Look After My Bills has temporarily paused its energy switching service as it says utility companies have been forced to remove tariffs because of the rising cost of energy supply.

> "Recently I've had the pleasure of meeting a number of fintechs that have solely focused on helping households manage their money better."
>
> **Dharmesh Mistry**

Aside from switching, there is little else that banks and even fintechs are doing today to help solve this issue. And as my previous article highlighted, consumers are also underserved by budgeting tools to help them plan their finances. For example, none of the solutions I found make predictions based on inflation or even allow consumers to apply their own predicted rise in costs to see the impact.

Few if any households would have been "prepared" for the pandemic and hence had to react and adjust as events occurred. Maybe this is an area banks could help their customers with? They could help customers to understand what their critical spends (non-discretionary) are and how rises in these could impact the available (if any) cash a household has left to spend on discretionary things like eating out.

Recently I've had the pleasure of meeting a number of fintechs that have solely focused on helping households manage their money better. Companies such as Financielle and The Humble Penny focus on financial wellness and better money management.

While banks have websites full of "content" that can been seen as helpful, providing better financial management is a service that banks seem to have forsaken to focus on selling products.

When I first started in banking in the late 1980s, my bank had an actual budget account and staff to help you with planning your household finances. This was soon removed as the service was not making money, yet it is possible today to provide this valuable service profitably as fintechs have shown.

Another quote that is relevant is: "Don't wait for a crisis to happen to create a crisis plan." The pandemic served a great lesson on this, and I and many economists may be wrong, but it is always better to be prepared than to react in the moment.

I'm just saying that banks not only have a responsibility to safeguard our money, they should be proactive in helping us manage it better in the good times and the bad.

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.

He is CEO of AskHomey, which focuses on the experience for households, and an investor and mentor in proptech and fintech.

On a Mission to help the underbanked build credit

By Alex Pugh, reporter, FinTech Futures

There are currently more than 100 million Americans with low or no credit.

This 100 million-strong group includes people such as newly arrived immigrants who haven't established enough of a financial profile to open a line of credit, college students who haven't had a credit card yet and people who had good credit but experienced a setback like bankruptcy or health issues.

The underbanked, with poor credit and low access to credit-building services, have been particularly hard hit over the past two years.

While the pandemic has impacted all Americans, inflationary pressures resulting from snarled supply chains and the mismatch between supply and demand have especially affected the underbanked population.

For consumers who are rebuilding their credit, paying off debt or simply trying to manage their finances, inflation has become a massive roadblock to financial stability.

And soaring prices have caused many of these individuals to burn through savings more quickly than anticipated.

To combat this, Mission Lane is a US fintech that provides financial products for underbanked customers left behind by legacy institutions who are looking to improve their financial lives, mainly through building credit.

"Many members of our team spent portions of their careers at legacy financial institutions, so they have witnessed first-hand the challenges that exist in serving this segment," says Mission Lane CEO Shane Holdaway.

HEADWINDS AND TAILWINDS

Pandemic notwithstanding, Holdaway, who used to run businesses for large traditional financial institutions, doesn't believe that most legacy financial institutions set out to perpetuate financial inclusivity issues.

"But there are some pretty strong forces – internal and macroeconomic – that lead them to ignore underserved customers," he adds.

Firstly, legacy financial institutions' cost structures make it prohibitive to serve customers with low balances and low borrowing capacity.

"When you are carrying the cost of physical branches and legacy technology, the unit economics are difficult to make go around," Holdaway says.

Secondly, serving higher-risk customers requires substantial technological capability. Deep data modelling and other risk management capabilities are required to mitigate the risk and are often out of the reach of smaller institutions.

Lastly, reputation. Some banks are worried that customers and regulators will look down on institutions that seek to help the low or no credit customer.

"In the end, these forces combine to limit access to quality financial products for credit-challenged consumers," Holdaway concludes.

But there are solutions.

Holdaway thinks regulators could be more inclusive and partner more often with fintechs to encourage them to innovate on behalf of underserved consumers.

A 'light' banking charter, which the UK has successfully implemented, "and has seen a lot more competition on behalf of consumers as a result", could be one option. And legislation that creates incentives to get more and more data into the hands of responsible market players would encourage financial inclusivity.

"We need to be very careful with customer data, but the more customer-level data available to fintechs, the better they will be able to serve the underserved."

MODERATION IN ALL THINGS

More customer data will be extremely handy in the future as cutting-edge technologies continue to ebb into the mainstream.

"In the coming years, I expect to see continued advances in machine learning and causal inference techniques that make processes in the banking world more accurate, reliable, explainable and fair," Holdaway predicts.

Reliable and plentiful data is essential to ensure many of these artificial intelligence applications and processes do not simply repeat and propagate the biases and prejudices of the past – and present.

And ensuring institutions and firms can look under the hood of these 'black box' technologies is "vital", Holdaway says, "as they allow us to provide more transparency to customers and regulators, on credit approval or declines, for example".

"Continued advances in machine learning and causal inference techniques will make processes in the banking world more accurate, reliable, explainable and fair."

Shane Holdaway, Mission Lane

Ultimately, these technologies will help eliminate many of the biases in processes such as credit underwriting and make the overall financial landscape a more inclusive place.

Technology is essentially neutral. While a new piece of tech can bring untold benefits to society, the same tech can also be used in a way that harms others.

While automation is a positive trend overall, financial services companies need to avoid the trap of automation for automation's sake, Holdaway says, and consider the customer experience.

For example, many Mission Lane customers want to stay in control of their finances, and often keep a closer eye on their inflows and outflows than individuals with higher credit scores.

"So, if a bill is paid automatically or if an algorithm funnels money into investments or savings for someone living paycheque to paycheque, the customer may not have the wherewithal to handle an unexpected expense," Holdaway says.

These customers need a personalised experience and to work with companies that understand their specific situations.

THE DUST SETTLES

There are bleeding-edge technologies on the horizon that, if they fulfil their promises, look set to disrupt financial services even more than AI, big data and open banking.

Holdaway says today's climate and next-generation technologies such as Web3, crypto and blockchain reminds him of the dot-com bubble in the late 1990s and early 2000s.

"Tons of capital fuelling hundreds of ideas and experiments, most of which evaporated or consolidated, but in the end, the world did change forever," he says. "Figuring out exactly which of all the experiments will matter most in the end is the number one question in this space."

But it's important not to become hypnotised by technological advances. Financial services must keep their eye on the human factor – what Holdaway calls the "personal connection".

"As technology advances at breakneck speeds, individual humans can feel increasingly disconnected from each other, their communities and the institutions that should be helping them lead fuller lives and with whom they have trusted their finances," he says.

Fintechs who find ways to leverage technology to lower costs and stresses for consumers while also creating a sense of connection with them will be the biggest disruptors – and success stories – in the new post-Covid world.

A relationship for the long term

How au Jibun Bank aims to repay customer loyalty by constantly improving their banking experiences

Outstanding customer experience is at the heart of every successful business.

For better experiences, au Jibun Bank utilises customers' transaction history, such as deposits, payments and wealth management, to present them with timely and relevant offers.

It means that the more customers use au Jibun's services, the better their experiences will become.

LOYALTY PROGRAMME FOR CONTINUED ENGAGEMENT

Au Jibun Bank offers a unique customer loyalty programme, to recognise and reward those who use or engage with the brand on a recurring basis.

Called Jibun Plus, it was launched in 2016. A recent major refresh resulted in better customer experiences and to foster further loyalty and trust.

Depending on a customer's engagement with au Jibun's services, each user is entitled to either of the four levels (Premium, Gold, Silver and Regular), and to enjoy specific benefits and earning points of the bank's broader group.

BENEFITS AND POINTS

Up to 15 times a month, customers can **earn higher points for engaging with the bank**, including:

• **Money deposit:** Setting au Jibun to a salary/bonus bank account, or setting automatic money transfer into au Jibun's account from others.

• **Direct account transfer:** Transferring money from au Jibun's bank account to credit card and so on.

• **Cashless payments:** Charging automatically to the auPAY channel, which is the payment app of the bank's broader group; pay by smartphone; and pay by smartphone debit card, which is the digital debit payment service of the bank.

• **Automatic deposit:** Use the bank's Foreign Currency Automatic Saving Services (AI-powered services or regular saving services).

From two to 15 times a month, customers can **use an ATM for free** (based on the loyalty programme level).

Finally, **customers can make bank transfers free of charge** from their au Jibun bank account:

• To accounts of au Jibun Bank or MUFG Bank: unlimited use every month; and

• To other accounts: from three to 15 times per month, based on the loyalty programme level.

LEVEL CONDITIONS

Conditions would be judged by the total numbers of "stamps" that users collect by using various services offered by au Jibun Bank and by its broader group.

The collection would be continuously updated every month. For example, if users collect more than five stamps in a month, they would be entitled to the highest Premium stage the following month.

HOW TO COLLECT STAMPS

Customers get one stamp for each point and can collect a maximum of six stamps. They can do that in the following ways:

1. Receive in-money transfer (receiving their salary or bonus, or using the bank's automatic money transfer service into au Jibun's account from others).

2. Use account transfer (such as transferring money from au Jibun's bank account to credit cards).

3. Use the group's cashless payment services (charging to auPAY, using a smartphone debit card and so on).

4. Enjoy the bank's entertainment services (purchasing the bank's sports lottery, or transferring money to government-operated gambling sports: horse racing, boat racing, bike racing and auto race, which is a Japanese version of flat-track motorcycle racing).

5. Enjoy the bank's or the group's wealth management services (foreign currency deposit, forex trading, fund sweep between the brokerage services and so on).

6. Keep up the account balance (such as keeping total assets at the bank above JPY 500,000 ($4,200), foreign currency deposit size above JPY 100,000 ($840) or having more than 1 JPY in lending products.

SPECIAL OFFERS

Regardless of the number of stamps users collect, the bank would provide a special offer to customers depending on some specific conditions.

> au Jibun Bank gears its activity to improve customers' experiences to ensure retention and acquisition

For example, if a customer's total assets at the bank amount to more than JPY 10,000,000 ($84,000), they will be entitled to the highest Premium stage automatically, no matter how many stamps they get in a month.

TO BECOME A LIFETIME COMPANION TO CUSTOMERS

Since its foundation in 2008 before the advent of 3G, the bank has always made its priority that of becoming an exclusively tailor-made bank for each customer.

By leveraging the power of its renewed customer loyalty programme, au Jibun Bank gears its activity to improve customers' experiences to ensure retention and acquisition.

It is not an easy feat to achieve full customer loyalty, but au Jibun Bank believes that this customer loyalty programme will surely drive its banking business to the next level, in the new era of customer engagement.

FEATURE: ESG CREDENTIALS

Why a 'people and planet' policy can be fun to write

By Gihan Hyde, founder & CEO, CommUnique

Companies that have strong environmental, social and governance (ESG) credentials are now more attractive than ever to the best employees and the most loyal customers.

We identify ourselves with who we work for and where we shop. According to a survey by OpenText, 83% of global customers are willing to spend more on products if they can be certain they are ethically sourced.

Being socially and environmentally responsible is essential for businesses. However, finding the companies that are really taking the action can be an absolute maelstrom of claims, impressive sounding but unattainable goals and vague statements with no action.

This is where clear, focused policies come in. I know the word 'policy' can make memories of insurance small print come up for some people, so please bear with me. It's easier than it sounds!

A good 'people and planet' policy should be no more than an A4 page in length and written in simple language that makes it clear to all staff, customers and other external stakeholders what your organisation stands for and what you are willing to do to be a changemaker in this world.

Above all, your people and planet policy should be:

- Easy to understand
- Accessible (put it on your website!)
- Actionable
- Linked to your values

So, how do you start writing it? The first step is to examine what your organisation does and where your environmental impact is felt most now – look at the good and the bad, the areas you are already a changemaker and the areas you could improve on.

Is your biggest environmental impact from data centres (currently as much of an emitter as all worldwide flights)? Do your employees travel a long way to get to work? Are there national or international meetings that could happen virtually? Do you already recycle most of your organisation's waste? Your impacts will be as unique as your company, as well as the degree to which you can change them.

At this stage in the process, it is important to remember that your employees are a wealth of ideas – ask them about changes they would like to see in the business and then take the suggestions on board.

As well as helping you come up with ideas, being more involved in the process makes it more likely that your employees will be more excited about these changes and dedicated to hitting targets. Involvement in practical change can also help stave off eco-anxiety.

If you're looking for some inspiration, some influential leaders in ESG policy are BNY Mellon, which has reliably diverted 68-73% of all its waste since 2017, and Microsoft, which has committed to using 100% renewable energy in all buildings and data centres by 2025 and is regularly tracking and publishing its progress towards this goal.

Although it might be a while before data centres are all being built underwater, this is the perfect example of listening to your employees, whatever outside-the-box wild ideas they might have – those ideas might well be the future.

Now that you have your areas for improvement and some ideas about changes you can make, it's time to get writing. Your people and planet policy should:

- Start with an outline of your objectives, what you want to achieve and areas in which your company can make the most change
- Make clear your commitment to complying with legislation as a minimum
- Outline the changes you are committing to and the impact this will have
- Promise to continually monitor your progress – starting with half-yearly and then yearly reviews
- Commit to monitor and continuously improve environmental performance

It is important to keep these promises and make them actionable and achievable. Once your policy is written – tell everyone! Put it on your website, send it out as part of your newsletter – don't be afraid to show off. You're a changemaker now!

> "It is important to remember that your employees are a wealth of ideas – ask them about changes they would like to see in the business."
>
> **Gihan Hyde, CommUnique**

Gihan Hyde is the award-winning communication specialist and founder of CommUnique, an ESG communication start-up.

She has been implementing ESG campaigns in eight sectors, across six countries over the past 20 years.

Her campaigns have positively impacted over 150,000 employees and 200,000 customers and have closed over £300m in investment deals. Some of the clients she has advised include The World Health Organisation (WHO), HSBC, Barclays, M&S, SUEZ, Grundfos, Philip Morris, USAID, and the Saudi Government.

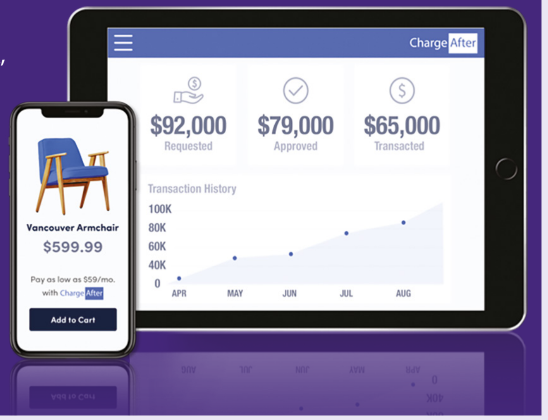
Follow Gihan on Twitter @gehanam.

FINTECH FUNDING ROUND-UP

Buy now, pay later (BNPL) platform **ChargeAfter** has raised **$44 million** in a Series B funding round. The round was led by The Phoenix and saw participation from Citigroup's Citi Ventures, Banco Bradesco and MUFG (Mitsubishi UFJ Financial Group), plus a number of existing investors.

The Series B follows a strategic investment and partnership with Visa and takes the company's total amount raised to date to $60 million.

Headquartered in New York, ChargeAfter offers shoppers approved and personalised consumer financing from multiple lenders through a unified application. It also provides global banks, acquirers and financial institutions a white-label BNPL platform.



Egyptian fintech **Lucky** has raised **$25 million** in a Series A funding round, the country's largest fintech Series A to date.

The round was co-led by VC fund Nclude and Egyptian banks Banque Misr, National Bank of Egypt and Banque du Caire. It also saw participation from PayU, Endeavor Catalyst, Venture Souq, OTF, Arzan Capital, Disruptech and Lorax Capital Partners.

Founded in 2018, Lucky claims to have the largest merchant network in Egypt. Its app offers credit products, discounts, offers, cashback rewards and buy now, pay later (BNPL) to more than eight million users.

The company has seen 250% year-on-year growth in gross merchandise value and recently expanded into Morocco, with an eye to further regional expansion.

Swiss expense management platform **Yokoy** has landed an **$80 million** Series B funding round.

The round was led by Sequoia Capital and saw participation from new investors Speedinvest, Visionaries Club and Zinal Growth as well as existing investors Balderton Capital, Six FinTech Ventures, Left Lane Capital and Swisscom Ventures.

It has now raised more than $107 million total capital to date and claims 400% growth year-on-year. It now plots European expansion and beyond in the course of this year.

Yokoy offers an enterprise spend management platform that combines expense management, supplier invoice management, smart corporate cards and AI-powered end-to-end automation.

Oxyzo Financial Services, a digital platform for SME financing in India, has raised **$200 million** in a Series A round led by Alpha Wave, and reached a unicorn valuation status. The round was also co-led by Tiger Global, Norwest Venture Partners, Matrix Partners and Creation Investments.

Oxyzo is a subsidiary of OFB Tech (also known as OfBusiness), a tech-enabled platform that facilitates raw material procurement and credit for SMEs with a focus on the manufacturing and infrastructure sectors.

Oxyzo's co-founder and CEO, Ruchi Kalra, notes that the financing stretches far beyond OfBusiness clients, with over 70% of lending going to companies outside of OfBusiness.

She says that Oxyzo has maintained a 100% year-on-year growth and has now reached $350 million assets under management. Furthermore, the company has been profitable since its inception in 2016.

Capital markets fintech **Capitolis** has raised **$110 million** in a Series D funding round, valuing the company at $1.6 billion.

Former US counsellor to the secretary of the treasury Jeffrey Goldstein, who sits on the board of directors of BNY Mellon, and former UK chancellor George Osborne have joined the company's board of directors. Canapi Ventures partner Dan Beldy has also joined the board.

The funding round was led by Canapi Ventures, Osborne's 9Yards Capital and SVB Capital. Existing investors a16z, Index Ventures, Sequoia Capital, S Capital, Spark Capital, Citi, State Street and JP Morgan also participated, among others. To date, the firm has raised $280 million.

Founded in 2017, Capitolis is a capital marketplace that enables financial institutions to optimise resources, execute with new market participants and access more diversified capital.

Ramp, a New York-based finance automation platform and corporate card provider, has announced **$750 million** in new financing, bringing its valuation to $8.1 billion.

The raise included $200 million in fresh equity funding led by Founders Fund, with participation from all major existing investors including D1 Capital Partners, Thrive Capital, Redpoint Ventures, Coatue Management, Iconiq, Altimeter, Stripe, Lux Capital, Vista Public Strategies, Spark Capital and Definition Capital.

They were joined by new investors such as General Catalyst, Avenir Growth Capital, 137 Ventures and Declaration Partners.

Ramp also secured $550 million in debt financing, including $300 million from Citi and an additional $150 million from Goldman Sachs, which doubled its commitment to $300 million. The start-up has now raised more than $1 billion in financing since its founding in March 2019.

With more than 5,000 businesses on the platform, its revenue grew nearly tenfold in 2021, and the firm is powering over $5 billion in annualised payments volume. It quadrupled its workforce over the past year.

Corporate expense management platform **Jeeves** has raised **$180 million** in a Series C funding round, valuing the company at $2.1 billion.

Jeeves offers an expense management platform featuring underwriting services, cash options, corporate cards and cross-border payments.

The company claims to have doubled its client base to more than 3,000 companies and grown its revenue by 900% since the Series B in September.

It has also surpassed $1 billion in annualised gross transaction volume since launching in March 2021.

The Series C equity financing round was led by Tencent and saw participation from GIC, Stanford University, Andreessen Horowitz, CRV, Silicon Valley Bank, Clocktower Ventures, Urban Innovation Fund, Haven Ventures, Gaingels and Spike Ventures.

The Miami-based firm currently serves companies across 24 countries and aims to cover more than 40 countries in the next three years across Latin America, North America and Europe.

Cape, an Australian expense management platform, has raised **$33.1 million**. The funding came from Aura Ventures, Investible, Scalare Partners, Mercury Capital and 15 business angels including Stripe's APAC head of start-up practice, the founder of legaltech platform LegalVision and a handful of early Atlassian employees.

Cape is on a mission "to help businesses unlock expense nirvana by saving time on financial administration work and cutting money associated with wasteful spending".

Ultimately, it hopes to close the loop between spend and expense management by providing both as an all-in-one spend management platform.

Cape was founded in 2020 by Ryan Edwards-Pritchard, with its HQ in Sydney. It employs 18 people.

The money will be invested in technology, product expansion and doubling its headcount in the coming months, particularly engineers and product specialists.

Glia has gained **$45 million** in Series D funding led by Insight Partners. This takes the valuation of the New York-based provider of digital customer service solutions to over $1 billion.

The funding round also saw involvement from existing investor, Wildcat Capital Management, as well as new investors, including RingCentral Ventures.

It brings Glia's total funding to date to $152 million.

The company says the additional capital will be "heavily allocated" towards research and development, including in artificial intelligence (AI), analytics, messaging, voice and video capabilities.

Additionally, the capital will aid Glia's plans for geographical expansion.

Glia was set up in 2011 and its Digital Customer Service (DCS) solution is used by more than 250 banks, credit unions, insurance companies and other financial institutions.

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

MOVERS AND SHAKERS


Nathalie Oestmann

Nathalie Oestmann has left UK-based financial app **Curve** after two-and-a-half years as its chief operating officer.

Writing on LinkedIn, Oestmann says the experience of working for a fintech has been "challenging and rewarding", but it's the right time for her to leave.

Prior to her stint at Curve, she was SVP at Idemia, a digital security and identification technbology provider, for a year and a half; and head of Samsung Pay Europe before that for two years. She also spent over 14 years at American Express.

PayPal has hired **Archana Deskus** as executive vice president and chief information officer (CIO).

Deskus will be joining the payments platform from tech titan Intel, where she has served as senior vice president and CIO since 2020. She has also held similar roles at Hewlett Packard Enterprise, Baker Hughes, Ingersoll Rand, Timex and United Technologies.

She also serves on the board of directors of East West Bank and Cognizant.

Citibank's co-heads of digital assets, **Alex Kriete** and **Greg Girasole**, are leaving to set up an as-yet unspecified new venture in the blockchain-enabled digital assets space.

Kriete held a number of positions within Citibank in its private banking business, starting as an analyst in February 2011.

Girasole was with Citi for seven years and was previously a fiduciary investment analyst at JP Morgan.

The digital assets group within Citi's wealth management division was only set up in June 2021, with Kriete and Girasole appointed as the co-heads.

Jason Oakley, co-founder and CEO of **Recognise**, a UK-based challenger bank for SMEs, has stepped down.

"All I can say is building from scratch and leading Recognise Bank has been the highlight (so far!) of a 37-year career," he writes on LinkedIn.

Oakley is a banking veteran, having spent nearly two decades at Royal Bank of Scotland (RBS) in various senior roles, including head of business banking for RBS and Natwest.

He also worked at other UK banks, such as Close Brothers and Metro Bank. At the latter, he was managing director of commercial banking for three years.

Recognise co-founder and deputy CEO Bryce Glover has been appointed interim CEO, while the search is underway for Oakley's replacement.

Standard Chartered has appointed a new global head of enterprise transformation, **Aniruddha Paul**.

Paul moves from ING, where he spent 15 years in various senior technology roles, most recently as chief data officer.

Writing on LinkedIn about his departure from ING, he said the time has come "to make new paths in a new direction".

Online property lender **Better.com** has announced it is to lay off more than 3,000 staff due to "headwinds affecting the residential real estate market".

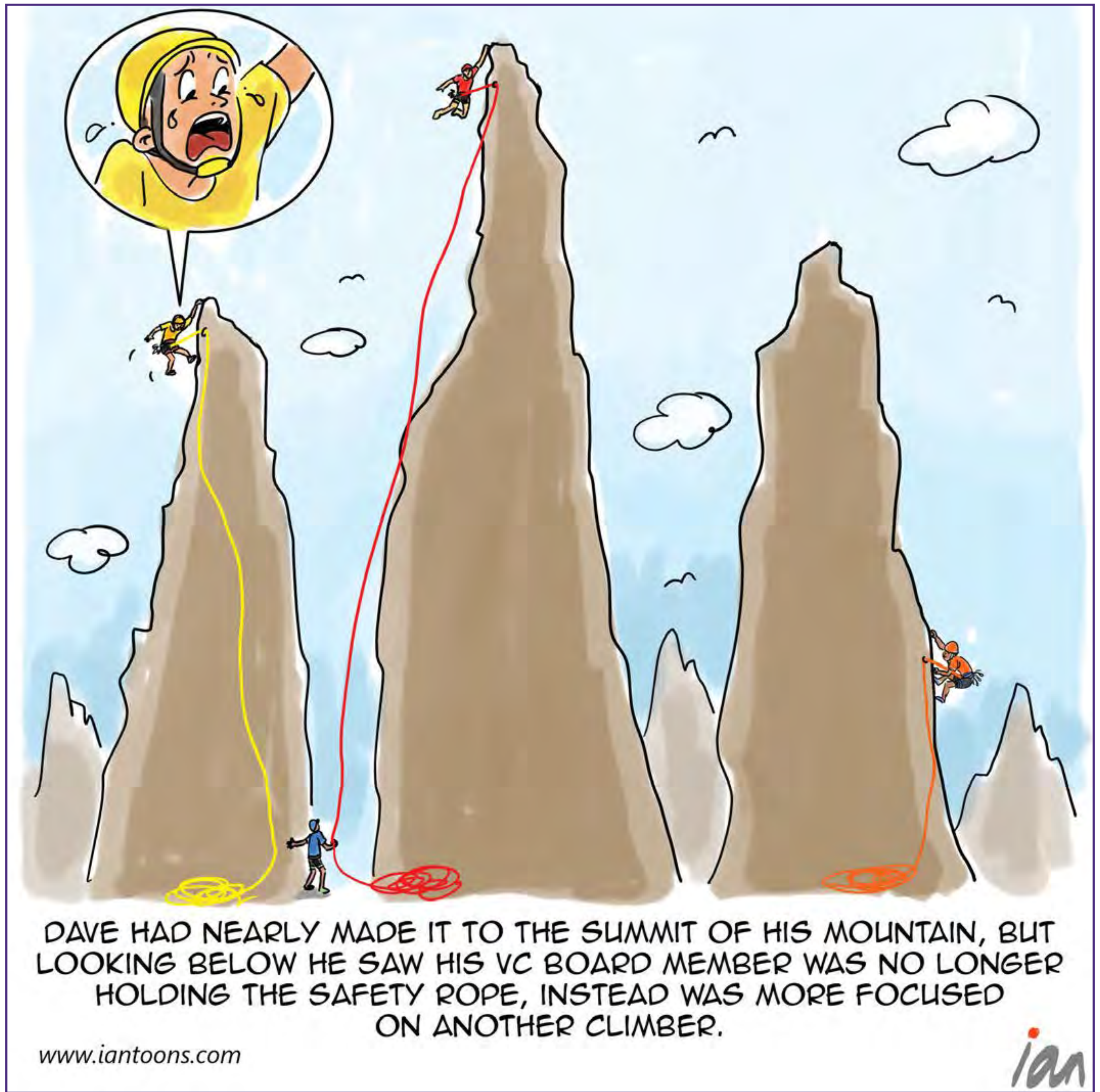
The announcement was made by the company's interim president and chief finance officer Kevin Ryan via a letter emailed to affected staff. The company has 9,000 employees in the US and India.

Ryan writes how the real estate industry is facing a "dramatic drop" in origination volume due to soaring interest rates.

"Unfortunately, that means we must take the difficult step of streamlining our operations further and reducing our workforce in both the US and India in a substantial way," he says.

Each of the employees let go will receive a personal phone call and will be eligible for a minimum of 60 working days – and as much as 80 working days – of cash severance payments.

The cuts at Better.com come despite significant levels of investment pouring into the company over the past year, including SoftBank's $500 million investment in April and $750 million invested in December as part of a special purpose acquisition company (SPAC) led public offering deal.



FREE SOLO

Cartoon by Ian Foley

This new cartoon illustrates the difference in expectations between a start-up entrepreneur and a venture capitalist.

A $100 million exit for a company that has only raised a seed round is life changing for founders. But in 2022, where limited partners expect a return threshold of 6.5x gross, this type of return is not meaningful.

As a result, venture funds are increasingly taking larger bets on a smaller number of start-ups, hoping that they will deliver outsized returns.

For the entrepreneur, there is a lot of opportunity for glory in achieving multi-$100 million or $1 billion exits, but there is also an even higher chance of failure. For the venture capitalist, they can make multiple start-up bets hoping at least one or two can achieve home runs so that they can raise the next venture fund.

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