



FinTrack

Tracking innovation in financial services

Introducing FinTrack, GlobalData's financial innovations tracker.

Every month, FinTrack will showcase the latest innovations from financial providers around the world.

Each innovation is assessed and rated on key criteria, providing you with valuable insight.

FinTrack will help you to:

- Keep up-to-date with the latest innovations from your competitors.
- Develop cutting-edge product and channel strategies.
- Identify the latest trends in the delivery of financial services.

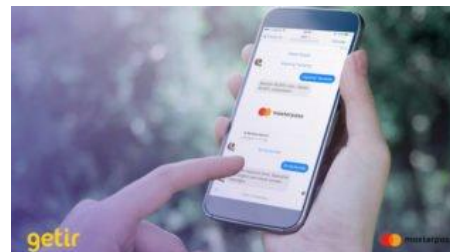
FinTrack: the inside track on the latest financial innovations.

The background is a dark purple color. It features a large, stylized, light purple dollar sign (\$) that is the central focus. There are also several smaller circles of the same light purple color scattered around the dollar sign. The text "Consumer Payments" is centered over the dollar sign.

Consumer Payments



Mastercard, Turkish online convenience store Getir, and Facebook have launched a combined service that allows Facebook Messenger users in Turkey to buy everyday essentials online via Getir's chat-bot, and settle payment using Mastercard's digital wallet Masterpass. Getir's chat-bot is apparently designed to respond conversationally to user enquiries in order to present a comfortable user experience.



Is it original?

Chat-bots have begun to be utilized in various areas of financial services – usually to help customers find account information or perform simple fund transfers. However, this integration is the first example of a chat-bot as a proxy for an online storefront.



Is it long-lasting?

In addition to chat-bots in general becoming more and more prominent in financial services, this specific service is also likely to succeed in the long term due to its focus on convenience. Getir's selling point is its fast delivery service, which is complemented by the easy user experience of requesting goods directly through Facebook Messenger.



Is it operationally game-changing for the provider?

This integration will likely bring Getir to greater prominence as a retailer in the Turkish market by opening up a new channel through which to reach customers. However, in order to use the service consumers will need to know about it already – it can only be accessed by searching "Getir" on Facebook Messenger (and requires Masterpass to use).



Will it significantly improve the user experience?

Getir currently advertises 10-minute delivery of its goods to online buyers, and this integration with Facebook Messenger and Masterpass enables its customers to quickly and easily buy the goods they need by directly asking to buy specific items via the chat-bot.



Is it market-changing?

Chat-bots and artificial intelligence (AI) are on the leading edge of financial services innovation, and the market is currently enthusiastic about their potential uses. This integration shows the potential of AI in online purchasing and the potential role of social media as a commerce channel – though it should be noted that this service owes much of its appeal to Getir's focus on immediacy and convenience in the purchase of a small range of essentials. It remains to be seen whether the concept can prove viable with larger retailers.



TOTAL SCORE

4/5



Paytm founder Shekhar Sharma has revealed that Paytm will launch its own banking service – to be known as Paytm Payments Bank – by the end of March 2017. There are great opportunities to service the underbanked population in India using mobile technology. Although it has the approval from the Reserve Bank, Paytm is still waiting regulatory approval for its board of directors.



Is it original?

A mobile-based bank as an offshoot from a payment provider is not new. China's Alipay was later rebranded as Ant Financial, offering banking services. Although it is not an original idea, it does make sense for Paytm to form a bank to fit its local market environment.



Is it long-lasting?

With hundreds of millions of underserved consumers in the market, as well as a banking infrastructure that is not able to solve the issue in a short timeframe, a mobile-based bank is strongly positioned to fill the gap. At the same time, this will develop a consumer preference for banking activities over the mobile channel.



Is it operationally game-changing for the provider?

Due to Paytm's involvement in the mobile payment business to begin with, it will require almost no start-up cost to start the mobile-based banking business. Hence Paytm should hit the ground running as soon as it meets all regulatory requirements. This move will open up a new vertical for Paytm, potentially securing it a major stake in the Indian banking market due to the number of unbanked consumers in the country.



Will it significantly improve the user experience?

This will greatly improve consumer access to banking in India, especially given the size of the underbanked market. With a large proportion of the underserved already using Paytm's payment service, it should be very fast and easy for consumers to access the banking service.



Is it market-changing?

Paytm Bank will definitely change both the banking and the payments environment in India going forward, since about half of the market is financially underserved. With such a big proportion, the group of consumers that Paytm is targeting will have the pressure to steer the future direction of the market to move towards being a cashless society, and move a larger proportion of the banking service onto a mobile platform.



TOTAL SCORE

4/5



SAMSUNG pay

Samsung's new Galaxy S8 smartphone will enable Samsung Pay to authenticate users via facial recognition and iris scanning. While the smartphone will be unveiled later in March 2017, it is unknown whether these new features will be available for Samsung Pay at launch, though the company is aiming to launch ahead of Apple's next-generation iPhone to be released later this year.



Is it original?

While this is the first use of the facial recognition technology to authorize payments through Samsung Pay, the technology was previously available for Samsung smartphone users to unlock their phones. Other mobile payment services such as Mastercard's Selfie Pay also utilize this technology; thus, it is not an original concept within the industry.



Is it long-lasting?

As the industry progressively moves from static passwords to a wide range of biometric authentications, it is very likely that Samsung's move will be successful based on the improvements that facial biometrics bring in terms of user experience and security.



Is it operationally game-changing for the provider?

While Samsung is working with banks to help them embrace facial recognition technology for their own apps, its use for authorizing mobile payments is an attempt to increase their visibility in the industry by outrunning Apple. Apple's next-generation iPhone is expected to use facial recognition later this year to replace the Touch ID fingerprint scanner.



Will it significantly improve the user experience?

With facial recognition gaining greater traction among consumers due to its ease of use and convenience (it enables transactions in seconds and requires no passwords, PIN codes, or security questions), Samsung Pay will enable iris and facial detection capabilities. These features complement each other for improved customer experience, since phones can rely on iris detection when there is not enough ambient light to recognize facial features.



Is it market-changing?

With an increasing number of new mobile payment authentication methods, Samsung Pay's use of facial recognition technology is more an extension of existing technology and is unlikely to cause significant disruption within the market at this point.



TOTAL SCORE

3/5

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Insurance



すてきな未来応援します

フコク生命

Japanese life insurance firm Fukoku Mutual has decided to replace several of its employees with artificial intelligence (AI) in an attempt to increase speed and efficiency when calculating claims. The new technology is based on IBM's Watson Explorer, which allegedly has the ability to think like a human, and analyze and interpret vast quantities of data, but at a much quicker rate.



Is it original?

Fukoku is the first insurance provider to use AI in place of an employee. The technology is a tweaked version of IBM's content analytics tool, Watson Explorer, which enables businesses to search for and analyze data and turn the findings into actionable insights.



Is it long-lasting?

The use of AI is expected to become more commonplace over the coming years. Fukoku's technology is designed to help increase productivity and reduce costs. If these measures can be achieved, then it's here to stay.



Is it operationally game-changing for the provider?

Yes! Fukoku's technology intends to gather the information needed for policy holders' pay-outs by interpreting information such as medical certificates, and data on surgeries or hospital stays, quicker than an employee. The expedience and efficiency of the tech is an incentive for more widespread use in the industry.



Will it significantly improve the user experience?

Customers are unlikely to see any substantial changes to their experience with the provider, as Fukoku's tech relates to how the business operates behind the scenes. However, users may see a difference in the amount or type of information they are required to provide for the firm.



Is it market-changing?

We can expect to see the use of AI move into other practice areas of the insurance industry. For example, three other Japanese insurance companies are reportedly considering adopting AI systems to help find optimal cover plans for customers.



TOTAL SCORE

4/5



PNB MetLife has announced the launch of a virtual reality (VR)-based customer service platform titled conVRse. The venture enables customers to interact with PNB MetLife's life insurance expert, Khushi, in a 3D-simulated room via a VR headset. The platform displays customer policy information and engages users through visual assist elements such as animations.



Is it original?

Similarly to the previous example of Fukoku Mutual and its use of AI software, PNB MetLife's new proposition effectively removes the need for an employee to perform the role in exchange for advanced technology. However, while other forms of chat/advisory facilities have already been introduced to other areas of financial services, they are yet to truly fulfil a purpose in the insurance industry.



Is it long-lasting?

More consumers are looking to communicate via, or more specifically, with, devices and machines in all areas of commerce. While technology continues to grow in sophistication, consumers are moving in the opposite direction in seeking a quick, simple, and personalized service, especially with regards to their financial obligations.



Is it operationally game-changing for the provider?

Following the introduction of ConVRse, PNB MetLife would be more inclined to alter its operations to accommodate the change in how customers begin to interact with the provider.



Will it significantly improve the user experience?

The modern consumer expects an enhanced level of customer service, and conVRse offers this in abundance. For example, customers will be able to gain instant access to experts, view their policy details, and know the status of a claim, all while having a more interactive experience with the provider at one of its branches.



Is it market-changing?

As with most retail banks, automation has proliferated and transformed the way the traditional branch functions – a similar effect could be expected with ConVRse.

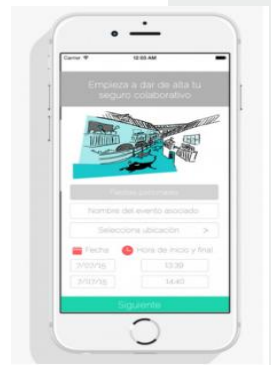


TOTAL SCORE

5/5



Sharenjoy is a Spanish proposition that combines “crowdsurance” with micro-insurance, providing cover for individuals attending ticketed public or private events. The company’s business model taps into the ethos of the sharing economy with some elements similar to that of P2P insurance. Additionally, a proportion of any unused funds go to community-selected charities.



Is it original?

Consumer sharing platforms are not new to the insurance industry, nor is insurance for ticketed events. How Sharenjoy differs from what we’ve seen previously is the option to pool the risk among a group of participants attending the event. The charitable element also offers added encouragement for users.



Is it long-lasting?

The narrow scope of Sharenjoy means it’s difficult for the proposition, or one of this type, to expand into other practice areas of the insurance industry. However, Sharenjoy can be successful in this small and limited market of crowdsurance and micro-insurance, meaning it has the ability to hold its own among competitors in this space, but perhaps only in this space.



Is it operationally game-changing for the provider?

Sharenjoy’s proposition is a unique take on the concept of P2P insurance, offering a combination of crowdsurance and micro-insurance. However, as already stated the platform’s applicability to other practice areas is limited. It doesn’t exactly push the boundaries or create new opportunities for providers in a way that’s vastly different to what’s already been created in this market.



Will it significantly improve the user experience?

Aside from enabling users to group together and insure against communal events, Sharenjoy users can expect a similar experience to other P2P-based propositions.



Is it market-changing?

Sharenjoy adopts too much of a niche approach to a niche market, meaning its effect, on a wider scale, is small and unlikely to drastically change the bigger picture.



TOTAL SCORE

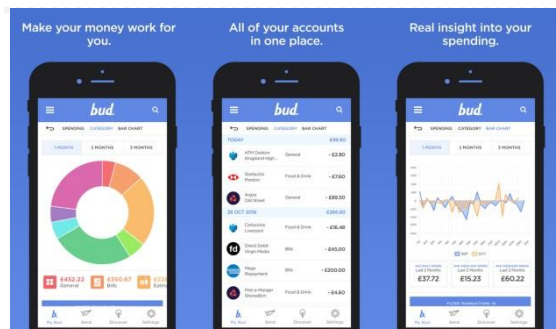
2/5

The background is a dark purple color. It features a large, stylized, light purple 'S' shape that curves around the central text. There are also three solid purple circles: one in the top left, one in the bottom center, and one in the middle left area.

Retail Banking



Bud is an account aggregation service that lets users view all of their bank accounts, credit cards, and other services in one place. Transactions are categorized, graphically displayed, and will eventually be analyzed to deliver personalized insights and advice. Bud also uses open APIs to drive its marketplace, where users can access fully integrated third-party services, such as Nutmeg, Azimo, and PensionBee. It won Innovation of the Year at the 2017 British Bank Awards.



Is it original?

Account aggregators have existed for a decade or more, but Bud is one of the first to take advantage of open APIs to integrate partner services into its interface, thus giving users a completely unified experience.

Is it long-lasting?

Bud's most noteworthy feature is its API-enabled marketplace of third-party products. This technology is being pushed by regulators in order to boost competition and innovation. Bud will thus gain traction as it integrates more products into its user interface.

Is it operationally game-changing for the provider?

The Competition and Markets Authority has told UK banks to implement API-based open banking by January 2018. This will greatly increase the number of products that Bud can integrate, as well as making it easier to aggregate bank accounts without resorting to screen-scraping technology.

Will it significantly improve the user experience?

Bud aims to be a one-stop shop for consumers, and seamless integration of large numbers of third-party products will significantly boost consumer choice and adoption rates. This will lead to lower prices and better consumer outcomes in the longer term.

Is it market-changing?

Bud combines four key features – account aggregation, tailored insights, advice and recommendations, and full integration of partner services. This makes for an effective proposition that will appeal to consumers in the open banking era.



TOTAL SCORE

5/5

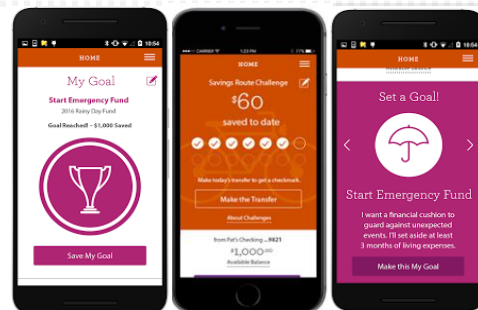
Daily Change makes saving easy and fun for consumers



Daily ChangeSM App



Wells Fargo's personal savings app helps consumers manage their finances, reach their financial goals, and stay engaged. The Daily Change app lets users set up challenges such as drinking tap water instead of bottled water, brown-bagging lunch for a week, or reducing commuting costs. The app gamifies savings behavior through simple savings challenges. It sends daily reminders, offers savings tips, and tracks the results after each accomplishment, in order to encourage good savings habits.



Is it original?

The ability to target particular segments with tools designed to encourage regular saving behavior by offering consumers ideas that are quick, actionable, and personalized is engaging. However, impulse savings tools such as Dyme and Moven already exist.



Is it long-lasting?

Consumer demand for user-friendly tools is increasing. A numbers of providers are experimenting with ways to make savings and financial management an easier experience. Automating the decision process and providing real-time information are essential to engaging users, meaning this service is likely to gain traction.



Is it operationally game-changing for the provider?

Although personal financial management (PFM) tools are growing in popularity, the main impact of this app is on the user experience. Wells Fargo will only benefit indirectly with respect to increased customer engagement, satisfaction, and loyalty.



Will it significantly improve the user experience?

Mobile gamification is expected to be central to the future of PFM. Consumers using the app can save towards a financial goal, where each transfer earns a check mark on the Challenge progress bar until it is completed and a congratulatory message is received. This allows them to take action and see the rewards instantly.



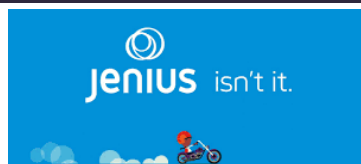
Is it market-changing?

While the improved accessibility may encourage consumers to take a more proactive approach to managing their savings, significant disruption in the savings market is unlikely. Hence, it cannot be said to be market-changing.



TOTAL SCORE

2/5



Jenius is an Indonesian mobile banking app that combines aspects of social banking, digital wallets, and personal financial management all in one user-friendly interface. Features included in the Jenius app are biometric authentication, a daily and long-term savings tool, bill splitting, money transfers, and bill payments.



Is it original?

Jenius has simply combined relatively new features, but there is nothing inherently original about the mobile app.



Is it long-lasting?

Jenius' simplified banking interface with up-to-date functionality will be well received by millennials. In recent years mobile banking apps have ranged from those that offer in-depth analysis and portfolio management to the less sophisticated that have one or two features. Jenius sits somewhere in the middle, offering the most commonly used features.



Is it operationally game-changing for the provider?

Providers are likely to already have their own mobile banking apps that have some or all of the features offered by Jenius. The impact on providers will be felt most by those with the weakest digital propositions. While 27% of Indonesian consumers believe that digital-only banks offered better mobile functionality, 30% don't want to use a bank without an established reputation, according to our 2016 Retail Banking Insight Survey.



Will it significantly improve the user experience?

With security concerns a major reason for not using mobile banking among Indonesian consumers, Jenius will provide reassurance to some. The additional features such as bill splitting and money transfers to contacts will also improve the user experience.



Is it market-changing?

Jenius is a simplified and functional mobile banking app that is likely to cater for the majority of users' needs. However, there is nothing it currently offers that will impact the market in any meaningful way.



TOTAL SCORE

2/5

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Wealth Management



In December 2016 everledger announced the launch of the Chai Wine Vault, which uses technology secured by IBM Blockchain to create a secure record of authenticity for fine wines. Everledger was originally founded in 2015 on the basis of providing blockchain technology to track the history of diamond ownership. This comes as investors are taking greater interest in alternative assets.



Is it original?

To authenticate a bottle of wine, over 90 data points including the bottle's ownership and storage are collected to build a digital record written permanently into the blockchain. This is the first company to leverage blockchain technology to address supply chain challenges in the fine wine industry, such as document tampering and counterfeiting.



Is it long-lasting?

In addition to traditional assets, luxury items such as diamonds and fine wines form part of many HNW portfolios. By writing the bottle's characteristics into the blockchain, the recipient can verify its identity and provenance. Auction houses and others along the supply chain can contribute details to accurately value the asset throughout its lifetime.



Is it operationally game-changing for the provider?

Use of a digital ledger replaces paper records and minimizes the time, cost, and risk associated with record-keeping for fine wine brokers. This secure technology can then be used as a differentiator from competitors and help increase the appeal of broker services to wealth managers that offer advice on luxury assets. For everledger, the launch of the Chai Wine Vault is a natural addition to its existing offering related to diamonds.



Will it significantly improve the user experience?

everledger allows HNW individuals who collect luxury assets to easily track and secure the details of investments on a digital platform. Thanks to blockchain technology, the asset's provenance is transparent and available regardless of ownership changes.



Is it market-changing?

With the rise in counterfeit wine, everledger's technology can indeed improve market transparency. Its wider adoption will be crucial though, as the continuity of data along the whole supply chain (from manufacturing, to transport, to storage) is essential.



TOTAL SCORE

5/5



In February 2017 Swissquote, a digital Swiss bank, launched a 360-degree virtual reality (VR) trading platform that allows clients to trade, access financial information, and monitor the status of their bank accounts. In addition to VR goggles, Swissquote's trading facilities are available on a range of channels including desktop, tablet, and mobile app.



Is it original?

Swissquote is the first European bank to combine VR technology with financial services through a trading app. Using a VR helmet, clients can access real-time financial information and trade shares on Swiss Exchange, as well as currencies and main global indices.



Is it long-lasting?

The platform allows Swissquote clients to access features they are currently familiar with. However, the longevity of VR technology is dependent upon the extent to which customers see the value in purchasing and using a VR helmet, as virtual reality is experiencing slow adoption rates in the financial market.



Is it operationally game-changing for the provider?

The VR trading platform may capture greater interest in the market, but it doesn't open up a new revenue stream as the same features are available on other digital channels.



Will it significantly improve the user experience?

By focusing on a specific stock, users are provided with more in-depth information with the help of eye-tracking technology. A trade is completed by focusing on the 'buy' and 'confirm' options. The Fast Trade function allows certain criteria to be preconfigured, such as the preferred investment amount, making it possible to execute trades more quickly and easily.



Is it market-changing?

The VR trading platform is simply an additional channel through which to access Swissquote's capabilities. Further developments and the extent to which virtual reality takes off will impact the innovation's potential to disrupt the wider market.



TOTAL SCORE

2/5



Launched in March 2017, UBS SmartWealth provides clients with digital access to their investments and financial goals. Currently available for UK residents with plans for expansion, the platform recommends investment strategies and helps clients understand how to approach and reach investment goals. With a minimum investment threshold of £15,000, a client can begin investing by opening an ISA or transferring one to UBS.



Is it original?

Many traditional wealth managers and new players are entering the UK digital investments market. There are several competitors that offer a combination of human and automated services, as well as the opportunity to manage goals and strategy via mobile devices.



Is it long-lasting?

Behind the digital platform are humans, not algorithms, who rebalance portfolios and recommend risk levels. It aims to offer services that were previously restricted to wealthier clients, as UBS requires a minimum of £2m to open a private bank account. By combining digital capabilities with access to research articles written by experts, UBS SmartWealth helps investors better understand their goals and financial performance.



Is it operationally game-changing for the provider?

This is UBS's attempt to ensure it doesn't lose out on business to robo advisors, which often require a lower minimum investment and lower fees. The platform is part of a £1bn initiative to attract younger clients. However, UBS will do well to leverage its well-known brand to capture the interest of older investors who are embracing digital capabilities.



Will it significantly improve the user experience?

UBS is leveraging the platform to provide regulated advice and investment information to clients in a single, digital location. However, the starting fees of 1.10% for passive management and 1.47% for active management are notably higher than other competitors in the UK digital space, such as Nutmeg or Moneyfarm.



Is it market-changing?

As a service no. UBS SmartWealth will be competing with traditional wealth managers and robo-advisors that already operate in the UK market.



TOTAL SCORE

3/5

Definition of parameters

Is it original?

Is the innovation significantly different to other products or services already on the market?

Is it long-lasting?

How much longevity will the innovation have? Is the innovation more than a novelty that will only be of transient appeal to consumers? Is it sustainable for providers in the long run, with respect to the cost and complexity of provision?

Is it operationally game-changing for the provider?

How much impact will the innovation have on providers with respect to cost, speed, and efficiency of provision? Will it reduce barriers to entry or open up new revenue streams?

Will it significantly improve the user experience?

How much impact will the innovation have on consumers with respect to speed, ease of use, and cost or price? Will it enhance or add value to their experience, or will it lead to improved outcomes for consumers?

Is it market-changing?

How much overall impact will this innovation have across all market participants, both providers and end users?

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Ask the analyst

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