



# FinTrack

Tracking innovation in financial services

# Introducing FinTrack, GlobalData's financial innovations tracker.

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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.

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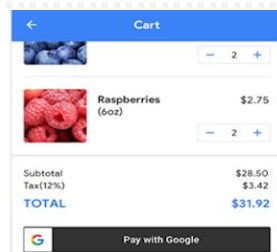


# Consumer Payments

# Google launches merchant API



Google's new payments feature will expand access to merchant sites through Google Payment API. The new feature will improve customers' experience when making payments through third-party mobile apps, websites, and Google Assistant. Consumers can use the details of any credit or debit card stored in their Google account, speeding up the payment process.



## Is it original?

Payment providers integrating with merchants using APIs has been common for quite some time, although this is the first payments API developed by Google.



## Is it long-lasting?

The new feature has been created to improve payment take-up for Google by offering a better quality of service whereby customers can make faster and easier purchases at a wider variety of merchants. This is the beginning of a set of improvements to the Google payments facility. As the number of merchants that enable the use of Google as a payment option increases, Android Pay will eventually strengthen its position in the market.



## Is it operationally game-changing for the provider?

Google's new payment API stores card details used in previous transactions and gives users the opportunity to choose which of their stored cards to pay with. This will improve the user experience in terms of convenience and ease of access.



## Will it significantly improve the user experience?

The API is a significant innovation that will enable faster checkout, drive more conversions, increase sales, and reduce abandoned carts.



## Is it market-changing?

This is more of an upgrade to the existing payment platform that is intended to increase Google's partner network. In this case, the existing payment method is being upgraded in order to build up Android Pay's position in the market and eventually increase sales.



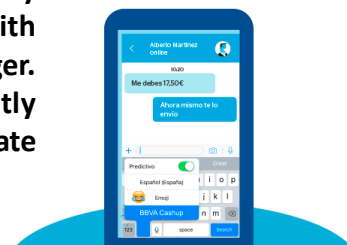
**TOTAL SCORE**

**3/5**

# BBVA integrates mobile P2P payments with social media through Cashup



BBVA has launched Cashup, a P2P mobile app allowing consumers to instantly send money to mobile phone users while chatting and providing integration with messaging services including WhatsApp, Telegram, Hangouts, and Messenger. The payee must be registered with mobile payment platform Bizum, jointly developed by the government and 27 Spanish banks, allowing users to associate a bank account with the service and transfer money for free and in real-time.



## Is it original?

While the ability to support payments through messaging apps is not original (PayPal-owned Venmo and Facebook Messenger have previously launched such services in other markets), Cashup is the first integration of a P2P payment service with social media apps in the Spanish market.



## Is it long-lasting?

Social media is an increasingly used channel in the payments sector. Given that nearly 20 million Spanish consumers use social networks, and 86% of internet users access Facebook, WhatsApp, YouTube, Twitter, or Instagram at least once a day (2016 IAB Report), Cashup has long-term potential due to the size of the market it aims to address.



## Is it operationally game-changing for the provider?

Enabling payments from social networks through Bizum is likely to allow BBVA to capture a share of the market from Paypal.me, which also allows P2P payments on social media platforms and has a strong presence in the Spanish market. As part of its recent social media integration process, BBVA has also developed a chatbot, allowing customers to access financial information via Facebook and Telegram.



## Will it significantly improve the user experience?

The service is an improvement relative to cash and other existing P2P tools as it conveniently serves a diverse range of payment use cases no matter what bank the recipient uses and without them needing to share their account number.



## Is it market-changing?

Cashup reflects the industry trend towards including payments as an additional feature for messaging apps, but it is more an extension of already existing services than a market-changing innovation.



**TOTAL SCORE**

**4/5**

# Hike messenger to incorporate payment mechanism



Hike, India's homegrown messenger app, will be launching a payment mechanism built into a future update of the app. The payment feature will be compatible with United Payments Interface, the Reserve Bank of India's regulated payment system.

## Is it original?

This is not the first payment mechanism that is attached to a messenger application. WeChat, Snapchat, and Facebook have already launched payment services over their own instant messenger services. However, Hike's payment service will be a first in India.



## Is it long-lasting?

The current payment environment in India has led to the launch of several new payment service providers in the market. Indeed, Paytm has been so well received in the market that it is bound to remain the main mobile payment tool, making it difficult for other payment services such as Hike to survive in the long run.



## Is it operationally game-changing for the provider?

Due to its large pre-existing user base, Hike will have immediate scale at launch with its new payment service, removing the need for costly investment in growing a network of users. The new service will also provide a new revenue stream for Hike – as well as the challenges inherent in opening up a new business vertical.



## Will it significantly improve the user experience?

The new payment feature on top of the existing messenger service will be a value-added service to Hike's existing users. Essentially it expands the stickiness of the app by providing additional reasons for consumers to use it.



## Is it market-changing?

As mobile-based digital payments are the current focus in India, most other mobile service providers are trying to offer some form of payment service just to join the race, resulting in a highly competitive market. Hike will need to do better than simply offering a P2P payment service over its messenger app to have an impact on the overall market.



**TOTAL SCORE**

**2/5**



# General Insurance





## AMODO

San Francisco-based Amodo offers the car insurance industry a commoditized telematics platform that collects data from mobile devices to build holistic customer profiles based on advanced driving behavior analytics. The technology is designed to provide insurers with a digital acquisition tool to deliver insight into the individual product needs of customers.



### Is it original?

Amodo offers a unique take on the concept of telematics by processing data coming from the connected vehicle, and generates advanced driving behavior reports through a gamified approach. The data is used with the ultimate goal of gaining a full understanding of a driver's style and capabilities.



### Is it long-lasting?

With private motor insurance premiums increasing significantly (due in part to several external market factors), Amodo places more responsibility with the consumer, whereby their driving could influence the premium paid. More control over pricing is likely to be well received by customers.



### Is it operationally game-changing for the provider?

Providers gain more in-depth insight into the customer, and can thus price risk accordingly. This could encourage insurers to factor in the use of this enhanced data when assessing premiums or segmenting customers based on their typical driving behaviors.



### Will it significantly improve the user experience?

Consumers will be required to put their driving data up for analysis, which could expose certain traits for their benefit or detriment. They will also have a more informed view of their driving habits, with the information presented back via an engaging dashboard.



### Is it market-changing?

Telematics is not new, and while Amodo provides a twist on the concept, the market is unlikely to dramatically change thanks to a new analytics tool.



**TOTAL SCORE**

**4/5**

# Capriza in mobile push for insurers



Capriza aims to help insurance companies adapt to a changing marketplace and resonate among a younger target market – millennials. This particular consumer group responds to modernized companies that offer immediacy and a personalized service, and Capriza aims to make such attributes regular traits of today's insurance companies.

## Is it original?

Many insurers do not have mobile versions of online forms and policy quoting. The use of Capriza's technology would therefore help prevent customers from turning to alternative providers that have already mobilized their client base.

## Is it long-lasting?

Mobile use plays a large role in customer acquisition. Consumers in general are now better engaged with products such as smartphones and tablets, and are using these devices more frequently to interact with companies and make business transactions. Insurers need to embrace mobile in order to keep up with the demands of the market.

## Is it operationally game-changing for the provider?

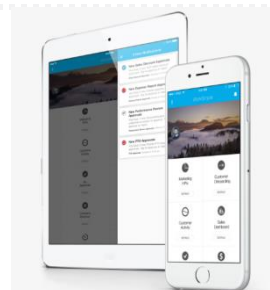
No. The central premise of Capriza's offering is to increase the mobility of existing insurer propositions. Therefore alterations (as opposed to wholesale changes) will be required on providers' end.

## Will it significantly improve the user experience?

Capriza's offering is designed to make existing insurer platforms suitable and more accessible for mobile users. Consumers will be provided with a quicker, sleeker, and condensed version of current propositions, which promotes the very traits and service expectations of the modern consumer.

## Is it market-changing?

Overlooking mobile technologies that replace certain time-consuming, pen-to-paper processes can squander a provider's market advantage. To compete effectively, insurance companies must simplify and mobilize consumers' interactions and employee workflows, which is the exact intention of Capriza.



**TOTAL SCORE**

**4/5**

# GoodData looks to monetize untapped data



GoodData provides a platform to help insurance companies commercialize harnessed consumer data. With businesses now generating increasing amounts of data, it can be difficult to derive the value from all the data collected. GoodData attempts to deliver actionable insight from data collection through advanced, uncompromising analytics.



## Is it original?

The concept of big data is not new, but it is here to stay. GoodData encourages insurers to rethink their value propositions and business models in the context of digital, using big data to establish new models that affect how an insurer transacts business with its entire distribution chain.



## Is it long-lasting?

Yes. Modern insurance companies are experiencing an exponential increase in data, which if applied strategically and effectively offers significant competitive advantages and monetization opportunities.



## Is it operationally game-changing for the provider?

Among the features of GoodData's proposition is the option to create unique analytics for different market segments, displayed via dashboards and data discovery tools. While there may be a reliance on these dashboards to guide insurers to the critical insight sought and benchmark the performances of their business units, GoodData's tools are unlikely to have any significant impact on provider operations.



## Will it significantly improve the user experience?

No. Consumers may be faced with additional question sets, especially with regards to the submission and commercial use of their data, but their experience with the provider is likely to remain largely unchanged.



## Is it market-changing?

Historically, insurers have operated in an environment of relative data scarcity. But now more data is being generated than before, and GoodData offers solutions to help providers manage and make the best use of it all.



**TOTAL SCORE**

**3/5**



# Retail Banking

# Empower is an all-in-one money management app



Empower is a personal finance app that aggregates a user's bank, credit card, loan, investment, and 401(k) accounts from over 16,000 US providers. Unlike other account aggregators, users can transfer funds between accounts via the app. Empower also sets a monthly spending target in line with a user's salary, can automatically save a set percentage of their salary into a designated account, and categorizes spending. It also provides context-sensitive alerts, for example when a phone bill is bigger than normal, or when a high balance could be better allocated to an interest-bearing account.

## Is it original?

Albert (reviewed in November 2016) already offers very similar account aggregation, spending categorization, and savings features, together with actionable alerts. Empower is merely the latest entrant in the expanding personal financial management sector.

## Is it long-lasting?

Personal finances are becoming increasingly complex, and consumers are looking for guidance. Our 2016 Retail Banking Insight Survey found that 52% of US consumers seek help with decisions, rising to 60% of those aged 18–24. 48% of this age group also feel time-pressured, and are thus receptive to solutions that will save them time.

## Is it operationally game-changing for the provider?

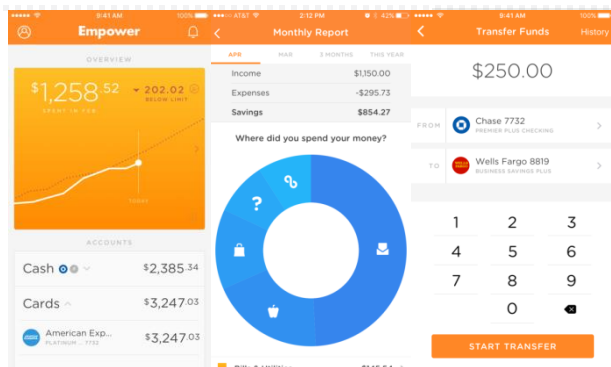
Empower does not embody a new or transformative approach to the provision of financial services, and will not have a wider impact on the operations of other providers.

## Will it significantly improve the user experience?

Empower conveniently provides users with a complete view of their finances in one app, and the targeted alerts should nudge them towards more efficient use of their finances.

## Is it market-changing?

Empower offers definite benefits for consumers. However, existing providers already offer equivalent services: some offer fully integrated packages similar to Empower, while others focus on specific aspects such as savings aids (e.g. Oval Money, reviewed in April 2017).



**TOTAL SCORE**

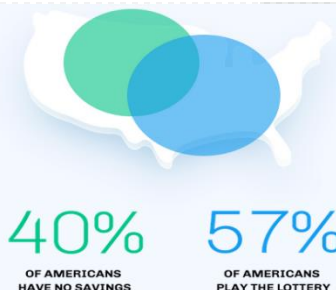
**2/5**

# LONG GAME is a gamble without any cost



LONG GAME

**LONG GAME** is a savings app that incentivises customers to save by giving them the chance to win cash prizes. Customers make deposits through the **LONG GAME** app, which is linked to an FDIC-registered bank account. Customers are then issued with “coins” they can use to play a range of games. The prize money is a proportion of the aggregated interest banks would have paid for the deposits.



## Is it original?

The concept of prize-linked savings is not new and is used around the world, mostly by governments selling national debt cheaply to citizens, but **LONG GAME** is the first to bring this concept to a digital platform working with banks as a means of increasing deposits.



## Is it long-lasting?

Prize-linked savings is a proven concept, and given that 57% of US citizens play the lottery according to **LONG GAME** it definitely has the potential to be a key savings tool for banks and consumers alike.



## Is it operationally game-changing for the provider?

**LONG GAME** has the potential to lower interest expenses for banks that primarily serve the retail market, since retail consumers are most likely to find it appealing. It may also improve the regularity of saving and the size of deposit holdings per customer.



## Will it significantly improve the user experience?

For consumers who have the funds but lack the motivation to save, **LONG GAME** will likely improve their savings balance. **LONG GAME** has not just gamified savings but done so in a way that can lead to tangible outcomes, which is not often the case with gamification.



## Is it market-changing?

Given the poor levels of savings among US citizens and high cost-to-income ratio among US banks, **LONG GAME** is likely to find some success. It will incentivise US consumers to save more and reduce banks' interest expenses paid on deposits. But despite the benefits, **LONG GAME** will appeal to a minority audience, and so will not change the US savings market in any significant way.



**TOTAL SCORE**

**4/5**

# Bean automatically finds, tracks, and manages bills and subscriptions



Bean is an account aggregator that links to users' financial products, including bank accounts, credit cards, loans, and investments. Consumers can track, switch, and cancel anything without speaking to a customer service agent. Bean lets users take action directly from the app, which translates into saving. It simplifies personal finances by automatically managing recurring bills and subscriptions in one place and by providing actionable recommendations to its users.



## Is it original?

No. There are similar account aggregators on the market already, such as Bud.

## Is it long-lasting?

Consumers' financial affairs are becoming complicated as they seek competitive products from a range of different providers. There is growing consumer demand for services that make proactive decisions and recommendations. Bean simplifies personal financial management by continuously informing consumers about the status of their finances and prompts them to take remedial action where necessary. Tools like Bean will become more common over time.

## Is it operationally game-changing for the provider?

Bean takes a fee on the corporate side from any services users choose to take part in – whether switching energy provider or signing up to a better savings account. Bean is free for consumers, which will encourage greater adoption.

## Will it significantly improve the user experience?

Consumers can stay informed and notified with Bean's tracking tools. It personalizes the banking experience; for example, Bean recommends actionable improvements such as swapping credit card debt to a zero interest card, getting pet insurance, or switching electricity supplier. Its ability to offer targeted and easily actionable assistance and recommendations meets consumers' need for help while making decisions.

## Is it market-changing?

Bean can help consumers with efficient financial management by offering them simple solutions they can implement, while creating new sales opportunities for providers.



**TOTAL SCORE**

**4/5**

The background is a dark, muted purple. A large, thick, light-purple stylized 'S' shape is the central graphic element, curving from the top left towards the bottom right. Several solid circles of varying sizes are scattered around: one in the top left, one in the bottom center, and a small one on the left edge.

# Wealth Management



# StashAway to launch Singapore's first retail robo-advisor



Fintech start-up StashAway, founded in Singapore in 2016, secured an A series funding round allowing it to launch later in 2017 with a Capital Market Service license for Retail Fund Management. The classic robo-advisor uses algorithms and software to automate the investment process while using ETFs to ensure low fees (advertised as low as 0.2% a year). It will also rebalance and optimize the portfolio as market and economic conditions shift.



## Is it original?

Its service and business model appear very similar to other robo-advisors in the West as well as robo-advisors already in Singapore (currently confined to the accredited investor market, as no others have invested in gaining the necessary MAS license to date).



## Is it long-lasting?

There should be a niche for StashAway in the Singaporean investment market, although it is likely to struggle to gain sufficient volume and growth in order to be truly profitable, and may need to adopt an institutional or white-label offering for partners.



## Is it operationally game-changing for the provider?

It has secured the necessary funding (\$\$1m in capital) to obtain an MAS license as well as scale up its offering to attract retail investors.



## Will it significantly improve the user experience?

ETFs, the mainstay of StashAway, are easily available in Singapore from brokers and can be monitored or traded via the apps of traditional wealth managers. However, there has not been significant uptake of ETFs to date, with the total AUM of ETFs on the SGX in 2016 amounting to just \$S\$3bn – well below other developed countries.



## Is it market-changing?

Combining robo-advisors and ETFs into a retail wealth management offering is a natural extension of existing elements in the market. But robo-advisors catering to the retail investor segment have not dramatically changed the financial markets elsewhere globally, and Singapore is unlikely to prove the exception.



**TOTAL SCORE**

**2/5**

# Wealth Club gives HNWs a digital platform for non-standard products



## WealthClub

UK-based WealthClub is an investment service geared to sophisticated investors specializing in non-traditional investments such as venture capital trusts, enterprise investment and seed enterprise investment schemes. A key focus is on superior returns from tax-efficient investing in non-standard products within the UK regulatory framework.

### Is it original?

While many other services seek to create a platform for investing in alternatives, this is the first to specialize with a clear focus on tax-efficient products rather than simply returns. By investing in straight-through processing WealthClub allows for same-day investing in more niche products such as venture capital trusts, giving it a strong USP.

### Is it long-lasting?

As a service that focuses on non-standard investments, it should see enduring demand for returns that are not tightly correlated to the market. Alternative investments are expected to see increasing demand in 2017 according to 48% of the wealth managers we surveyed.

### Is it operationally game-changing for the provider?

Due to regulatory constraints it will be difficult to scale up beyond WealthClub's niche target audience, and due to widely differing investment incentives the service is not easily portable to other jurisdictions.

### Will it significantly improve the user experience?

By providing an online platform and user interface, WealthClub will remove much of the friction from finding and investing in non-standard investments. Lower costs along with same-day investing should also considerably improve the investment experience.

### Is it market-changing?

WealthClub offers nothing that is not already available to HNW and sophisticated investors in the UK market in a more informal way from traditional private wealth managers – it represents an evolution of the market rather than a sea change.



## TOTAL SCORE

## 3/5

# Crossbridge Capital introduces digital onboarding for its robo-advisor



## CONNECT by CROSSBRIDGE

Crossbridge Capital has introduced digital onboarding for its robo-advisor service Connect. The platform, which targets UHNW investors, offers a series of portfolios that are actively rebalanced. Built around specific risk return profiles, it provides exposure to up to 12 asset classes. Customer identification and verification of all required documentation during the sign-up process is conducted online utilizing e-sign technology, eliminating manual submission of documents and physical visits to complete sign-up.



### Is it original?

Crossbridge claims to have launched the first digital client onboarding application. While we are not aware of any other robo-advisors in the HNW space that allow clients to complete the process 100% paperless, Credit Suisse launched an automated digital client onboarding application in Singapore in March 2017.



### Is it long-lasting?

Digital onboarding is the future. A combination of paper-based and digital has already become widely adopted, and online-only will become the norm over the next few years.



### Is it operationally game-changing for the provider?

Digitizing the client onboarding process will reduce costs, while also minimizing the risk of losing potential new customers by eliminating friction points. Our data also shows that adoption rates of self-directed services are higher in the mass affluent space than in the HNW space. This makes the reduction of bottleneck even more important to drive uptake among those in higher asset bands, which Crossbridge has achieved.



### Will it significantly improve the user experience?

Digital onboarding will minimize room for error and result in time savings, thus improving the user experience.



### Is it market-changing?

Crossbridge is not the first wealth manager to launch digital onboarding, nor will it be the last, and we expect it to be regarded as a hygiene factor within only a few years.



**TOTAL SCORE**

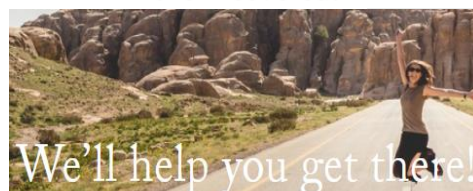
**3/5**



## MISS KAYA

Targeting Asian women, Miss Kaya has launched a robo-advisor with Marvelstone Capital as its fund management company in Singapore. Currently the tool is only available to HNW individuals, but it is scheduled to be rolled out to women in lower asset bands in the near future. Miss Kaya takes into account the distinct service requirements and characteristics of the female segment, such as longer lifespans and different lifestyle goals. The platform also aims to empower women through educational elements such as budgeting tools.

Whatever your goals are, we've got them covered:



### Is it original?

Miss Kaya is the first female-focused financial online platform (albeit not the first wealth manager) in Asia, and as such has identified a potentially lucrative niche.



### Is it long-lasting?

Due to its strong USP Miss Kaya is unlikely to encounter trouble picking up new business in Asia's growing wealth market. Singapore will prove to be a well-chosen target market, given the higher proportion of female investors than in the wider region.



### Is it operationally game-changing for the provider?

Miss Kaya is a new company, and currently only provides one service offering. As such, the launch is game-changing for the provider; its success will depend on its ability to build up its customers base.



### Will it significantly improve the user experience?

Women face different challenges than their male counterparts. For example, having children affects a woman's career path, while this is less likely to be the case for men. Thus an online platform taking these challenges into account will have a positive effect on users' experience.



### Is it market-changing?

Miss Kaya offers access to targeted investment services to the female segment, utilizing digital channels. While this is innovative in itself, nothing it currently offers will impact the market in any meaningful way.



## TOTAL SCORE

4/5

## Definition of parameters

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### **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?

## Sources

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### **Ask the analyst**

For further information, the Financial Services team can be contacted at [clientservices.fs@globaldata.com](mailto:clientservices.fs@globaldata.com).

