



FinTrack

Tracking innovation in financial services

About This Product

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.

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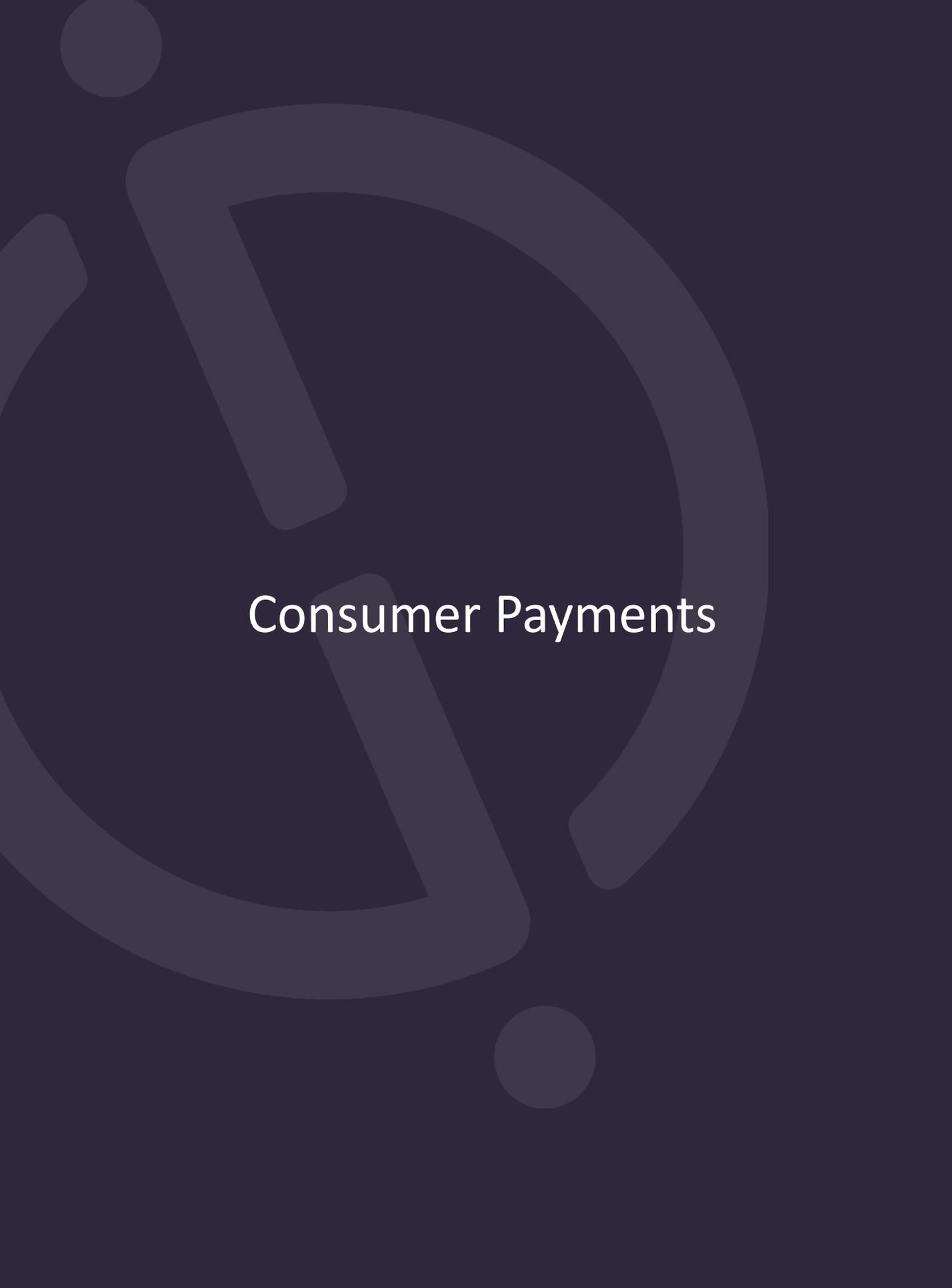
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Consumer Payments

Amazon Pay launches in India



Amazon has launched Amazon Pay in India after securing a prepaid payment instrument license from the Reserve Bank of India (RBI). As the new payment service is based on stored prepaid balances it will not be using a two-step verification process (which is required by law in India for online payments made with credit or debit cards). Aside from enabling payments at Amazon's own online checkout, Amazon Pay will allow users to pay for online transactions at specific merchants.

Is it original?

Flipkart, Amazon's main online retail rival in India, has already launched its own online payment service known as PhonePe. Amazon also offers its own digital wallet in markets other than India, meaning this new online payment service is neither original to Amazon nor to India.

Is it long-lasting?

In India, there are already many digital payment services competing in the market. Paytm seems to have the upper hand with coverage of over 5 million merchants, making it difficult for Amazon to compete. But payment on its own retail portal may be the factor that keeps it competitive (although even as a merchant it must compete with Flipkart).

Is it operationally game-changing for the provider?

The license from the RBI will make it easy for merchants to sign up to Amazon Pay and easy for customers to use it, which combined should strongly boost the group's position in India.

Will it significantly improve the user experience?

With Amazon Pay, consumers can conduct online payments at merchants other than Amazon, improving convenience for consumers.

Is it market-changing?

While the Amazon Pay service will not make a significant impact to the overall electronic payment market in India, it will definitely offer an improved service to Amazon's existing customer base and help the group remain competitive in the country.



TOTAL SCORE

2/5



Jiffy, the P2P app developed by SIA and GFT, announced it will allow users to make payments at POS terminals in Rome, Milan, and Turin. 4.2 million customers currently use the app for P2P payments, so the potential user base for this new service is significant. The upgrade may also be able to leverage the currently developing SEPA credit transfers infrastructure to improve its transaction speed and potentially expand to cross-border payments within Europe.



Is it original?

Mobile payment apps already exist in the market; for example, Apple Pay launched in Italy earlier in 2017. The new payment app is differentiated from existing mobile payment alternatives through the fact that the transaction is made from the user's bank account straight into the business's account.



Is it long-lasting?

The app announced it already has 4.2 million users in Italy and will be operating in three major cities across the country. It was originally used for P2P transactions only, by using a mobile phone number as a proxy for an account number. SEPA infrastructure will help make a long-term case for Jiffy since it provides potential access to the cross-border person-to-business market within Europe.



Is it operationally game-changing for the provider?

Jiffy already has a strong market position within P2P mobile payments, and this expansion opens up a new vertical for the company with increased revenue potential. Opening up person-to-business transactions in 150 outlets in Milan, Rome, and Turin should increase revenue and attract new customers.



Will it significantly improve the user experience?

Jiffy offers a number of advantages compared to existing mobile payment options. The customer can identify the merchant via geolocation, store search, or scanning QR codes. Payment is then simple and quick, with money transferred within seconds.



Is it market-changing?

Cash and other payment methods are still very popular in Italy, and awareness of Jiffy is limited to major cities. Jiffy's new service may prove successful in its pilot markets and valuable to its existing users, but attracting cash-reliant Italians will be a slow process.



TOTAL SCORE

3/5

Singapore develops common QR code standard



Monetary Authority of Singapore



Singapore's new Payments Council (an arm of the Monetary Authority of Singapore) has announced the development of a common standard for mobile QR code payments within the market, designed to work across all schemes, e-wallets, and banks. This comes at a time of ascendancy for QR codes within Southeast Asia, with recent launches of QR code-based payment tools by major banks DBS and OCBC.

Is it original?

QR code-based payments are nothing new for the Asian market – Alipay and WeChat are established giants in the field and numerous banks and start-ups operate in the same space. However, the idea of a common QR code standard is new to the market.



Is it long-lasting?

QR codes have emerged as the dominant form of mobile payment acceptance technology in most Asian markets, being much cheaper for merchants to accept than NFC (due to not requiring the purchase of terminals). This initiative makes it even easier for merchants to accept QR code-based wallets, in turn giving consumers more incentive to use them.



Is it operationally game-changing for the provider?

The Payments Council will prove its worth as an instrument of the Singaporean financial regulatory apparatus if this move is a success. But the major changes in terms of business operation will come to the competing QR code-based payment services, which will suddenly find themselves interchangeable at the POS, making differentiation more critical.



Will it significantly improve the user experience?

For consumers, this new standard potentially means that any QR code-based service they choose to use (for any reason) can be used at any merchant, simplifying their purchasing experience. For merchants this move will reduce any work required to accept multiple QR code-based services.



Is it market-changing?

Should this initiative move into a rollout phase across Singapore it will drastically change the composition of the mobile payments market. QR codes will be further solidified as the technology of choice for mobile payments, as well as making it more difficult for mobile payment providers to leverage their size (and impossible to leverage their acceptance network) in order to attract customers.



TOTAL SCORE

4/5



General Insurance



At Money 2020, Amazon unveiled its plan to take on the likes of PayPal in accepting online consumer payments. With the launch of the Amazon Payments Global Partner Program, Amazon is aiming to expand its Pay with Amazon service to more online stores via partnerships with the e-commerce and merchant services providers that serve online merchants, rather than only targeting the merchants themselves.



Is it original?

While a number of insurance companies have experimented with creating actionable data from social media, Digital Fineprint has carved a space as the specialist third party in integrating social media profiles into online insurance forms, improving onboarding.

Is it long-lasting?

Social media presents insurers with a goldmine of customer personal data, which is ideal for tailoring policies and improving engagement. Any company that can create actionable analytics from the vast amounts of data available creates a huge competitive advantage.

Is it operationally game-changing for the provider?

The partnership with Hiscox will allow the insurer to create personalized policies for small and micro businesses, aiming to bring more of them into the insurance market by covering specific needs. Broadly, Digital Fineprint creates a far more nuanced conversation starter with customers, based on a deeper understanding of need.

Will it significantly improve the user experience?

The combination of a simpler application process and onboarding with the benefit of an insurer having the tools with which to shape a policy to needs – or to offer suggestions and guidance – brings us towards a far more engaging, less frustrating “insurance 2.0” model.

Is it market-changing?

Given that a poor onboarding experience is one of the most significant causes of lost business, the taking of a common sense approach and linking insurance to where that information already exists is a simple but high-impact move. Moving beyond, to more advanced customer analytics across multiple platforms, only furthers this.



TOTAL SCORE

5/5

Roost's cost-effective smart devices are drawing insurer interest



Announcing a \$10.4m Series B funding round in August 2017, US-based smart home device provider Roost is catching the attention of the industry. Roost started out with a smart battery that could plug into a standard fire alarm and transform it into a smart device. Its smart water and freeze detectors offer insurers opportunities to prevent a costly events.



Is it original?

While Roost is not the only insurtech in this space – in the UK alone the likes of Neos, HomeServe's LeakBot, and Cocoon all exist – it belongs within this pioneering cohort. It steps away from the crowd in its smart battery concept. Insurers promoting smart devices require a customer to buy into the idea and pay out for expensive sensors (even if subsidized). A cost-effective solution that can turn existing devices into smart ones is a game-changer.



Is it long-lasting?

If insurers can crack how to achieve buy-in from customers for the devices the tools provided by Roost have legs. It ticks both boxes in terms of offering benefits to both customers and the insurance industry on claims.



Is it operationally game-changing for the provider?

The implications from widespread smart device use are huge for the insurance industry – from an expected vast improvement in claims incidence, to speed of response, to an altogether more engaged, proactive, positive shift in customer interaction.



Will it significantly improve the user experience?

As noted with Neos in our June 2017 edition, smart home devices provide for additional peace of mind for those leaving their homes unattended, in addition to being saved from emotionally distressing events by pre-emptive and smart monitoring.



Is it market-changing?

Services that pre-empt and engage meaningfully with customers to avoid danger to their cherished belongings will leave the traditional market in the dust.



TOTAL SCORE

5/5



Sherpa is an insurance concierge service platform that uses AI to personalize cover to the unique risk of individuals. The platform firstly understands how well individuals are covered against their risk profile, secondly recommends how to optimize insurance spend to get better cover at the lowest cost, and thirdly auto-adjusts cover as individuals' risk changes over time. Sherpa is due to launch in the UK in late 2017.



Is it original?

Sherpa is not the first insurance concierge platform to enter the market. Brolly also uses AI to offer similar services. However, the idea of an insurance concierge in itself is still fairly new, especially with AI being involved, which allows platforms to continuously assess risk, auto-update policies, and recommend better cover.



Is it long-lasting?

In the future, AI-driven concierge services will likely become the norm. Platforms will be used by individuals to manage their insurance policies holistically in the short term. In the longer term, individuals may not have to manage insurance themselves at all, with AI instead automatically making all decisions to ensure they are covered.



Is it operationally game-changing for the provider?

Insurers will be impacted competitively by AI. They will have to work to ensure their products are recommended by the platform in order to maintain or grow their market share if individuals are no longer choosing and assessing the value of policies.



Will it significantly improve the user experience?

Concierge services will help simplify and improve the efficiency of the insurance purchasing user experience, and will remove individual decision-making if the platform recommends which types of cover are needed and which policies are best suited.



Is it market-changing?

The use of concierge services is currently low, and so in the short term will not be market changing. And it will not alter the range of products available on the market, instead helping to personalize insurance for the individual.



TOTAL SCORE

3/5



Retail Banking



TSB claims to be the first European bank to introduce iris scanning to its mobile banking app, eradicating the need for lengthy IDs or passwords. From September 2017, customers with a Samsung Galaxy S8 or S8+ smartphone will be able to unlock their TSB mobile banking app using the Samsung Pass iris scanner. TSB claims that iris scanning is the most secure form of biometric authentication available, with 266 unique characteristics (compared with 40 for fingerprints).



Is it original?

Although iris scanning is new to Europe, it has been available in other markets for some time, with US banks such as Wells Fargo and Citi offering this facility since 2016.



Is it long-lasting?

Due to its high level of security it has less chance of being breached than more conventional security measures, so it should be a long-lasting innovation. As more smartphones with the appropriate technology become available, consumer adoption should rise.



Is it operationally game-changing for the provider?

While it improves the security of personal banking, it will not fundamentally alter the way in which TSB supplies banking services to its customers, and will not directly lead to significant cost savings or increased revenues.



Will it significantly improve the user experience?

It will make banking much more secure while at the same time reducing the amount of friction in the login process. But this technology remains in its infancy, and can experience issues such as slow speeds and difficulties scanning users who wear glasses or in sub-optimal lighting conditions.



Is it market-changing?

This innovation is likely to encourage other banks to provide a similar service. However, it may be some time before it has a real impact on the market, as it depends on the producers of smartphones making sure their devices are suitably equipped.



TOTAL SCORE

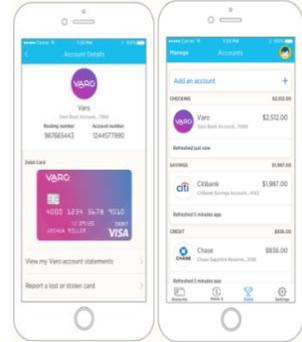
3/5

Varo Money helps consumers stay on top of their finances from one app



VARO

Varo Money is a US-based mobile app that links to users' financial products, including bank accounts, credit cards, loans, and investments. It offers a single view of account aggregation, allowing customers to manage cash flow, track spending, and see all their accounts along with handling everyday banking. Varo also helps eliminate overdraft fees, minimum balance fees, and foreign transaction fees. In addition, the company is working on "proactive services" to help solve consumer cash management needs. Varo Money has applied for a full national bank charter from the OCC and currently partners with The Bancorp to hold and process deposits.



Is it original?

No. There are similar providers on the market already, such as Simple, Moven, and Bean, all of which launched before Varo.

Is it long-lasting?

There is a growing consumer demand for services that make proactive decisions and recommendations. Personal financial management tools like Varo will become more common over time as they eliminate friction surrounding traditional financial services, thus simplifying financial management for consumers.

Is it operationally game-changing for the provider?

Varo's "unified view" provides a better picture of users' finances and also enables banks to anticipate the needs of their customers better. With this Varo will be able to offer active financial assistance rather than just suggestions.

Will it significantly improve the user experience?

Through Varo's app, users can manage their cash flow and track their spending across all their savings and credit card accounts, not just their Varo account. The company has also launched a lending product to enable users to take out personal loans that can help them get out of high-interest credit card debt.

Is it market-changing?

Consumers can stay informed and notified with Varo's cash management tools. Time constrained consumers will no doubt benefit from a platform that conducts analysis on their finances and then recommends beneficial actions.



TOTAL SCORE

4/5

Wells Fargo's Control Tower provides consumers a single view of their accounts



WELLS
FARGO

Wells Fargo's Control Tower is a mobile platform that allows customers to have a single view of all their Wells Fargo card and account information (including mobile wallets, subscriptions, recurring payments, third parties, and devices). Within this view the customer will be able to control when and where their Wells Fargo account is shared via a simple on/off function, allowing customers to instantly cut off access to their accounts from a specific source. It also allows customers to remotely update stored card details on online accounts. Wells Fargo will launch the Control Tower among staff later in 2017, before launching to customers in 2018.



Is it original?

Some of Wells Fargo's customers already have access to a similar experience through third-party apps such as Xero, Intuit, and Fincity – companies Wells Fargo has pre-existing data sharing agreements with. It is not original, but it will be the first time this power is placed directly in customers' hands.



Is it long-lasting?

By expanding the customer's control over existing accounts it seems likely Control Tower will remain an established part of Wells Fargo banking, at least if initial uptake is high. And with the continued growth of online shopping and subscriptions there is a growing demand to simplify the security-threatening complexities of the online world.



Is it operationally game-changing for the provider?

Wells Fargo has established itself as a bank that accepts modern fintech innovations. This new development will be an extension of this trend, further incorporating aggregation tools into its fintech roster without radically overhauling its operations.



Will it significantly improve the user experience?

For customers who regularly purchase online it will significantly improve their ability to control where their money is going. By some estimates US consumers spend 37 hours a year on banking websites; this app has been designed to significantly reduce this.



Is it market-changing?

This will threaten third-party API-based banking software, as their often less secure alternatives may struggle alongside options offered by longstanding traditional banks.



TOTAL SCORE

3/5



Wealth Management



Launched in Q2 2017, Credit Suisse Invest is a human-led platform that sits within the company's Asia Pacific private banking app. Currently available for investors who hold an account with Credit Suisse's Hong Kong or Singapore booking centers, the platform provides tailored investment options, monthly portfolio updates, and customized advice.



Is it original?

Many traditional wealth managers and new players are entering the digital platform market. Credit Suisse Invest sits within the company's already-existing app for private banking clients and, like many digital platforms, generates a risk profile for each client that is then used to provide advice and tailored services.



Is it long-lasting?

The platform offers access to professional advice as well as views from the company's chief investment office. Users receive regular investment ideas and monthly portfolio reports, which can help investors adjust their portfolio. From a long-term perspective, clients will value Invest-specific access to insight and analytics to make informed decisions.



Is it operationally game-changing for the provider?

Adding Credit Suisse Invest to the company's private banking app in Asia Pacific enables Credit Suisse to better resonate with investors in the region. The platform also offers a transparent fee structure, which opens up a new revenue stream and could entice investors to use the app instead of considering alternative platforms.



Will it significantly improve the user experience?

Clients gain access to Invest-specific insight and advice to potentially improve the structure and performance of their portfolio. They also receive a more granular view of their portfolio.



Is it market-changing?

Credit Suisse Invest enables clients to leverage technological capabilities to monitor and manage their wealth. It therefore competes directly with robo-advisors and traditional wealth managers in Hong Kong and Singapore.



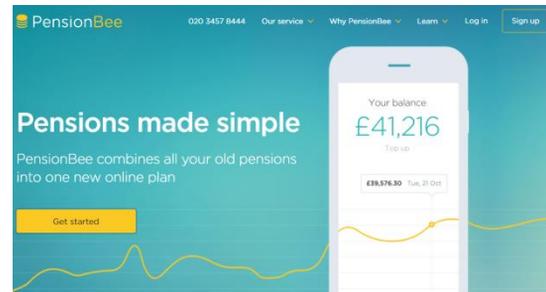
TOTAL SCORE

3/5



PensionBee

In August 2017 PensionBee introduced a non-advised drawdown service to its Personal Pension proposition. PensionBee allows users to combine their pensions into one plan, which can be accessed online or through a mobile device. Available to customers who are close to turning 55 years old, the new service enables these individuals to withdraw a 25% tax-free lump sum or another amount.



Is it original?

Drawdown options are commonplace among pension service providers, whether digital or not. Like other providers such as Hargreaves Lansdown, PensionBee helps clients better understand the implications of withdrawing funds.



Is it long-lasting?

This service is sustainable for PensionBee in the long run. The company's main target group are individuals 30 to 40 years old. As they approach the age of 55, the Personal Pension service will provide PensionBee with a wide customer base that will find it useful.



Is it operationally game-changing for the provider?

PensionBee believes that some customers draw down their pensions and move this money into their bank account because their money will be more readily accessible. However, this can result in the customer paying too much tax. By providing greater visibility of their pension plan, PensionBee believes clients will keep this money within their pension, which in turn will yield a more profitable fee structure for PensionBee.



Will it significantly improve the user experience?

This service provides clients with greater visibility over their pension and risk warnings, enabling them to make more informed decisions about whether to draw down. This is ideal for those who do not have access to an advisor for assisting with drawdown activities.



Is it market-changing?

Customers gain greater visibility over their pension, but PensionBee is not introducing anything new. The FCA's July 2017 retirement outcomes review sheds light on pension issues such as consumers receiving the right support when making decisions. Looking ahead, this may encourage pension service providers to revisit their drawdown proposition.



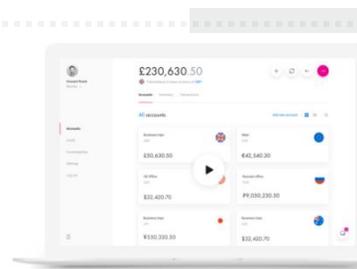
TOTAL SCORE

3/5



Revolut

Revolut was founded in 2015 with the aim of providing banking services such as prepaid debit cards and currency exchange. In Q3 2017 the company will launch RevolutWealth, an investment proposition whereby customers invest spare change from everyday purchases and provide their risk appetite, allowing the service to invest on their behalf. Revolut is also partnering with ETFmatic to offer a range of risk-graded funds.



Is it original?

This is Revolut's investments debut, as the company entered the UK as a P2P payments app. While the proposition will be original to the company, the ability to invest spare change is nothing new for the UK market. By providing a spare change service and investment management, the company will be competing with incumbents such as Moneybox and Nutmeg.



Is it long-lasting?

In a market as competitive and saturated as UK financial services, offering a range of products and services is key. The company's investment arm will offer an additional revenue stream and strengthen brand awareness through its partnership with ETFmatic.



Is it operationally game-changing for the provider?

Offering investment services enables the company to better service clients and capture a larger share of the market. By partnering with ETFmatic, Revolut can leverage the company's range of funds to provide users with investment options.



Will it significantly improve the user experience?

In addition to debit cards, currency exchanges, and P2P payments, customers will be able to take their money to the next level by utilizing investment options. RevolutWealth will be completely integrated into the company's existing platform. The platform's ease of use and fee structure will ultimately determine its success.



Is it market-changing?

While RevolutWealth offers nothing original, Revolut is expanding into more financial services verticals. This proposition, in addition to the ability for customers to carry out investment decisions in a matter of seconds, will heighten competition among providers that aim to become a one-stop-shop.



TOTAL SCORE

4/5

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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