



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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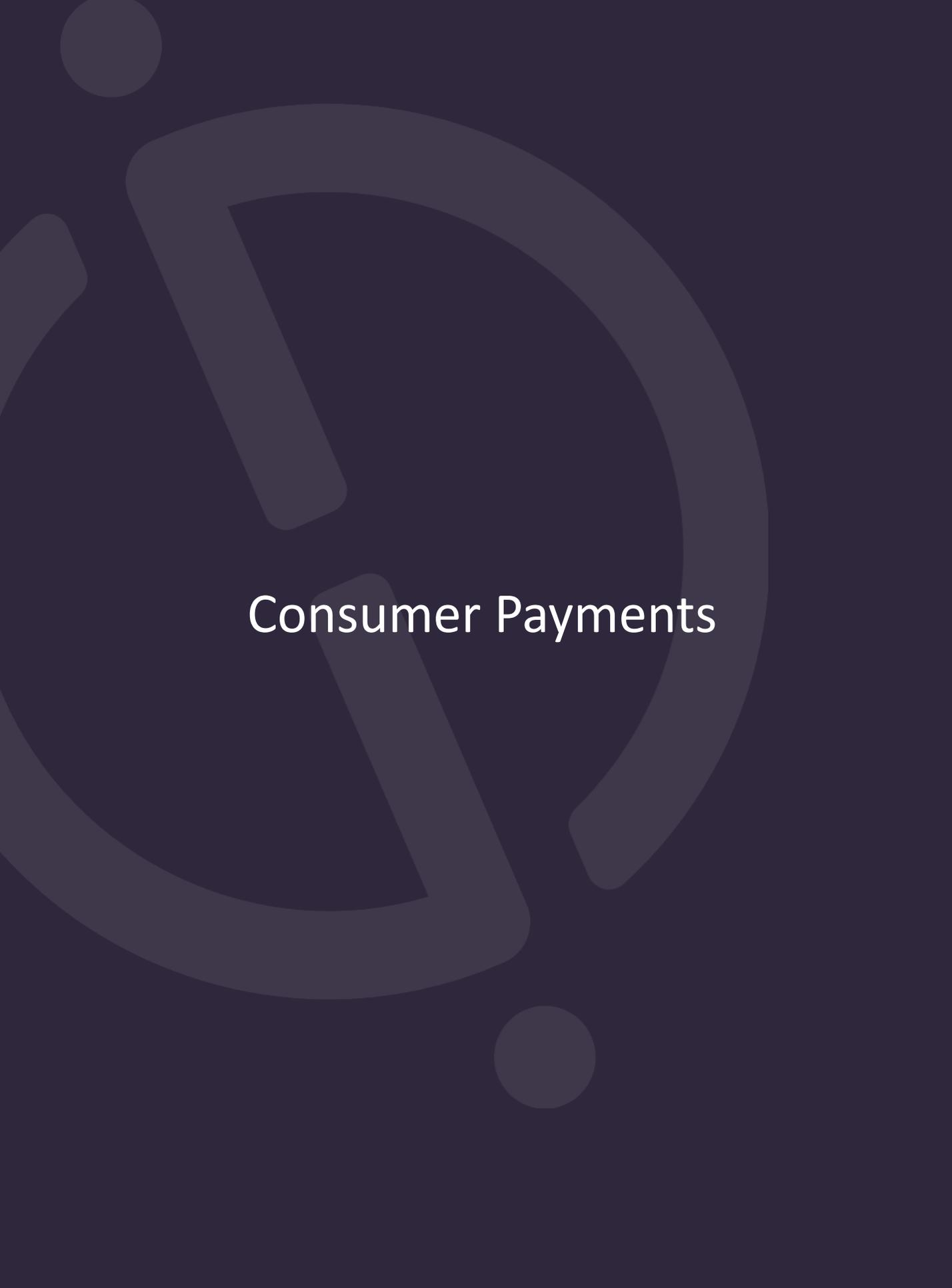
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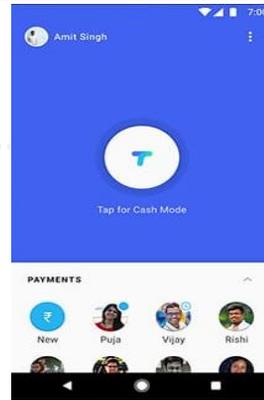
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Consumer Payments



Google has launched a new mobile wallet called Tez in India. The wallet allows users to link up their bank account to the Tez app and make online and in-store payments, as well as P2P payments, using the linked account. A key point about Tez is that it uses audio QR (which is inaudible to human ears) to send payment data and identification between the merchant and the payer's phone, rather than printed codes, Bluetooth, NFC, or other communication technologies.



Is it original?

Payment transaction by sound is not new to India; ToneTag has been around for a couple of years in the market. While Tez uses a completely different sound identification process to ToneTag, it is essentially a very similar concept.

Is it long-lasting?

The mobile payment environment in India is currently going through a stage where there are a lot of competitors in the market trying to stand out based on their unique features. In the long run, the mobile payment service with the greatest potential will be the one where the payment platform is cheap and (ideally) interoperable with other services. With the printed QR system likely to dominate developing markets in general, the long-term potential for Tez is small.

Is it operationally game-changing for the provider?

A new revenue stream is set to come along in the next few months when Tez will allow users to link their payment cards to the app. As a major internet company with an already very strong presence in India, it is also very easy for Google to leverage its ties with local banks and merchants to build a network for Tez.

Will it significantly improve the user experience?

Allowing the Tez mobile wallet to be linked to bank accounts at the present stage and payment cards further down the line will be an advantage compared to mobile payment platforms such as Paytm, where users are required to add prepaid credit to the wallet first. Its use of audio QR also makes it easier to use than scanning printed QR codes. However, Tez's approach does limit its addressable market to the minority of Indian consumers who have a bank account.

Is it market-changing?

The digital payment environment in India has gone through a lot of changes and development over the past couple of years, and momentum is only growing. At the current stage there are a lot of offerings, leading to heavy competition in the market. Google is well positioned in India as a strong digital brand, and its use of audio QR technology means Tez is not limited to NFC-capable smartphones, though its reliance on bank accounts and cards limits its reach in India.



TOTAL SCORE

2/5



HSBC has launched a new service enabling its customers in China to authenticate payments via facial recognition as the identity and security tool. The decision to launch this service was based on an HSBC survey that highlights China as being most open to trying new technologies. However, HSBC also plans to launch this service in other countries.



Is it original?

Biometric recognition has been very popular for security purposes, and facial recognition is already in use by a number of companies (e.g. Mastercard) for authenticating payments.



Is it long-lasting?

Confidence in this technology is high in China, as shown by HSBC's survey which indicated that Chinese consumers are interested in trying new technologies and view facial recognition as having long-term potential. The market in general is receptive to biometric technology, with services using facial, fingerprint, or other biometrics to authenticate customers becoming highly popular worldwide – and this is likely to continue.



Is it operationally game-changing for the provider?

HSBC has been trying to expand the use of biometrics (voice and touch ID) as an authentication method for its payment services. However, this development is a minor improvement to existing services, and does not open up any new business areas for HSBC.



Will it significantly improve the user experience?

Selfie photos as a facial recognition tool is an interactive idea which comes as an upgrade to the token device used before to make payments. Consumers take a selfie in order to authenticate the transaction, which will be checked against another photo held in the bank's database. If the photos match successfully, customers then need to enter the correct authentication code into their banking app so they can make payments.



Is it market-changing?

Biometric recognition is no longer new to the payments market. Facial recognition is the latest type of biometric technology to be deployed, though it will provide an additional authentication option rather than changing the way customers authenticate themselves.



TOTAL SCORE

2/5



Mastercard has announced plans for a new service designed to provide emergency access to cash at ATMs via any mobile device (including non-smartphones capable of receiving SMS messages). The service allows individuals or companies to send money to an ATM for people to collect – the cash will be available at a specific ATM which the recipient will receive an address for (as well as withdrawal details) by SMS. The service can be used to withdraw cash by consumers without any access to bank accounts or cards; all that is needed is the order number and the four-digit PIN sent to the user by SMS.



Is it original?

Emergency cash withdrawal services are not new to the market in general – many retail banks offer customers the ability to withdraw emergency cash using a mobile banking app if they have lost their card. However, this service extends emergency cash access to consumers without bank accounts or cards, as well as those with accounts but with no mobile banking app.

Is it long-lasting?

This service solves a small but significant pain point for consumers, by providing an almost restriction-free emergency cash facility (provided the user has access to a mobile device that can receive SMSs). As such, it is likely to have long-term potential, particularly in a market such as the US which has incomplete financial inclusion and heavy cash use.

Is it operationally game-changing for the provider?

Mastercard will not derive any revenue from this service. However, it may prove a useful means of persuading issuers to choose Mastercard as their partner scheme of choice in order to offer this valuable new service to their customers. It may also boost the value of the Mastercard brand among consumers by associating it with valuable services.

Will it significantly improve the user experience?

Extending emergency cash access to the unbanked provides a notable advantage for these consumers, if one that will rarely be used. It also acts as a means of sending P2P transfers – in cash – to friends or relatives without bank accounts, cards, or even smartphones.

Is it market-changing?

This service is a notable improvement on previous emergency cash services in the US, although given the reach of a company like Mastercard, it is unlikely to spawn imitators (Visa may develop a similar service to compete). Given the niche nature of an emergency cash service, its impact on the market will be subtle, but welcomed by users in need – and potentially a valuable brand-building service for Mastercard.

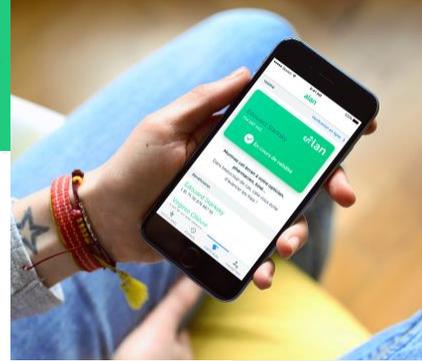
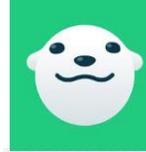


TOTAL SCORE

5/5

The background is a dark, muted blue-grey color. It features a large, faint, light-grey graphic element consisting of a circle with a diagonal line through it, resembling a stylized 'G' or a logo. There are also several smaller, solid circles of the same color scattered around the main graphic.

General Insurance



Alan markets itself as the first digital health insurance company in France, having launched in October 2016. Alan offers health and life insurance and aims to reinvent the markets through its new mobile app, which allows customers to send a bill, say they are at hospital, and contact Alan directly.

Is it original?

The life and healthcare markets are still lagging behind in innovation compared to other industries. While being able to contact an insurer directly via an app is not original from a wider scale, it is original for these markets. Making a claim for life and health insurance can still be very time-consuming and paper-based, meaning a digital app will be highly beneficial in improving the communication and efficiency of claims.

Is it long-lasting?

Any move towards digital communication and improving efficiency of service will be long-lasting. The app is likely to grow, and other insurers may look to develop similar products.

Is it operationally game-changing for the provider?

In France, employers are now required to provide a health insurance plan to all employees, and contribute to at least 50% of the premium. This means that there is a large market for health and life insurance. Providers like Alan that are innovative will therefore benefit and gain market share.

Will it significantly improve the user experience?

The app makes reporting a claim simpler and more convenient. A digital proposition will mean the speed of communication for making claims will increase between the customer and the insurer, which should also mean that claims will be paid faster.

Is it market-changing?

The app will not radically change the way the life and health insurance markets operate; instead it will purely increase efficiency and the processing of claims.



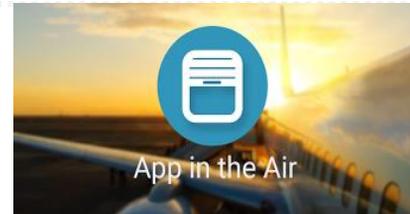
TOTAL SCORE

4/5



App in the Air
Personal flight assistant

September saw the beginning of a partnership between Chubb, Swiss Re, App in the Air, and FlightStats. The partnership will provide travelers with an insurance policy that covers delays to flights. The app stores travelers' flight information and checks this against Global Air Traffic control in order to identify if the flight is delayed. If this is the case then the policy will automatically be executed with no input from the traveler.



Is it original?

Although the app itself is not a new product, the proposition of an insurance policy that covers flight delays is. Other insurers have started to develop similar products on different platforms; however, App in the Air is an already-available channel as an existing travel assistant app. The policy will compensate travelers should their flight be delayed by at least one hour, and in some instances as little as thirty minutes – a much smaller delay than what other insurers are requiring.

Is it long-lasting?

The use of an app as the main interface from which consumers are able to purchase the policy will ensure longevity, as reliance on smartphones continues to increase. Further, with travel insurance often sitting as an afterthought for travelers, the embedding of coverage within a broader assistant app is a sensible strategy.

Is it operationally game-changing for the provider?

The use of flight path data to automate claims triggering is an efficient, economic process for providers to operate. Within this model, while resource should be allocated for issues and complaints, the need for costly apparatus to receive customer claims is eradicated.

Will it significantly improve the user experience?

The combination of being compensated both automatically and quickly is a novel experience for consumers, and one that will likely be well received.

Is it market-changing?

App in the Air has amassed over 400,000 users and with the insurance policy only being available to those in the UK, it is unlikely to cause large-scale disruption within the wider travel insurance industry. However, certain aspects such as automated policy execution have the potential to influence the wider market

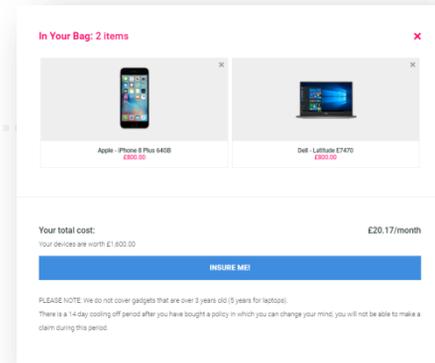


TOTAL SCORE

4/5



InMyBag, a UK insurtech emerging from start-up incubator Hambro Perks, is a gadget and personal items 'recovery service' that has focused on delivering multi-layer cover to ensure customers are back on track as speedily as possible. It has done so by partnering with the likes of Amazon Prime and Apple for replacements, as well as offering CrashPlan – a data recovery service – to all subscribers.



Is it original?

A focus on speed is InMyBag's unique selling point – targeting the fast-moving and busy working demographic in particular – claiming to provide replacements within hours. The proposition delivers something new in creating an emergency assistance-esque product for personal items, not only replacing items quickly but combining this with access to a premium data backup service to get right back to where you started.



Is it long-lasting?

InMyBag exhibits two key service elements that look set to become the standard in "insurance 2.0": a) a flexible monthly subscription rather than an annual contract, and b) a high-speed claims process. In a world where data is everything, the additional backup service is also likely to be an element that's here to stay.



Is it operationally game-changing for the provider?

While InMyBag ups the ante for the market on speed of response and claims processing, with logistical implications for delivering replacements to be considered, the model does not fundamentally challenge or shift insurer operations.



Will it significantly improve the user experience?

GlobalData's latest consumer survey found one in three consumers get nervous if they find themselves without their smartphone. When it comes to our dependence on our gadgets, speed of replacement is a critical factor that InMyBag has grasped in its approach.



Is it market-changing?

Similar propositions do exist, particularly in the gadget insurance space where a number of new players have focused. InMyBag doesn't break the mould in a number of areas such as its platform. While falling short of gaining a mark here, its combination of service speed and data back-up service do create a benchmark for the space, however.



TOTAL SCORE

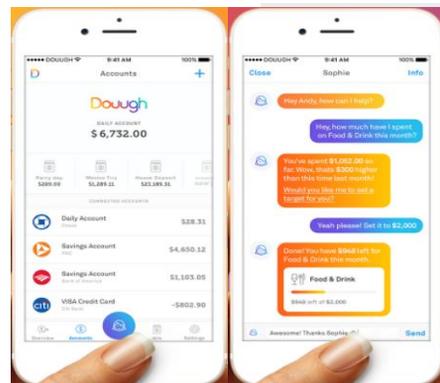
3/5



Retail Banking



Dough is a US-based PFM app that provides account aggregation, allowing customers to easily monitor and manage cashflow and track spending, along with handling everyday banking. The AI-based app is supported by Sophie, a 24/7 personal assistant. Sophie's role is to empower users to make financial decisions based on their unique situations, by offering an intuitive and personalized experience. It helps consumers manage their money by managing payments, automatically saving, and tracking spending targets. Dough analyzes and categorizes spending, providing useful insights and actionable recommendations to help consumers make more informed decisions about their financial goals.



Is it original?

Dough is an effective personal financial management app. However, other AI-based financial management apps, such as [Ernest](#) and [Olivia](#), are already available.

Is it long-lasting?

Dough should find a receptive audience as the need for assistance and simplicity grows among consumers. Demand for similar tools will also increase over time.

Is it operationally game-changing for the provider?

With the proliferation of consumer debt, consumers now more than ever need help and assistance. They are more likely to use AI to get a better picture of their finances. Dough is also aiming to deliver services through an API product called 'Dough Connect,' helping consumers better manage their finances.

Will it significantly improve the user experience?

Time-constrained consumers, particularly millennials, will benefit from a platform that conducts analysis on their finances and then recommends actions. It empowers consumers by providing a complete view of their finances in one app, helping them stay informed and notified with Dough's tracking tool. Sophie personalizes the banking experience by analyzing a user's spending habits and guiding them to improve their financial health.

Is it market-changing?

AI has the potential to transform the delivery of banking services, allowing banks to improve and innovate to retain and attract customers. In this context, Dough offers an enhanced banking experience by proactively educating people about money management and by establishing itself as a financial control center for users.



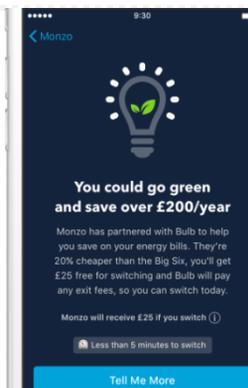
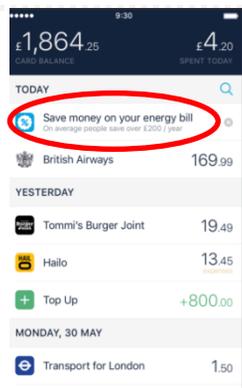
TOTAL SCORE

4/5



monzo

Monzo, the UK-based mobile-only bank, has enhanced its new current account proposition by trialing an in-app energy supplier switching service. Account holders will see a prompt in their transaction feed inviting them to click through to the service. Users enter a few details about their property and current energy use in order to obtain a quote, and if they decide to switch, the process takes less than five minutes. This initiative is part of Monzo's marketplace strategy, which will see it forming third-party partnerships in order to provide added-value services to its customers.



Is it original?

At present, no other bank in the UK offers a similar service. Starling Bank, which has a very similar proposition to Monzo, is also building an open API-based marketplace. However, it does not yet offer any utility-based partnerships. However, other banks may follow suit once open banking commences in early 2018.

Is it long-lasting?

Such services will start to proliferate from 2018, following the launch of the Open Banking Standard and PSD2. Services that promise to save consumers money will become particularly popular, as pressures on real wages and household budgets continue to mount.

Is it operationally game-changing for the provider?

Every time a customer changes supplier via this service, Monzo earns a commission of £40–50, half of which it returns to the customer. Given that the bank is incurring annual losses of around £50 per customer, this will provide a valuable extra source of revenue. Monzo plans to extend this model to other areas, thus creating multiple additional income streams.

Will it significantly improve the user experience?

Provided the final version of this service is impartial and offers whole-of-market advice, it will help consumers to save money, thus providing financial benefits that are clear and quantifiable.

Is it market-changing?

This is one of the first signs that the bank-customer relationship will evolve from one that is purely transactional to one where the bank takes on the mantle of trusted advisor. Consumers will benefit from improved outcomes, while banks will gain from increased levels of customer engagement that will boost loyalty, as well as additional revenue.



TOTAL SCORE

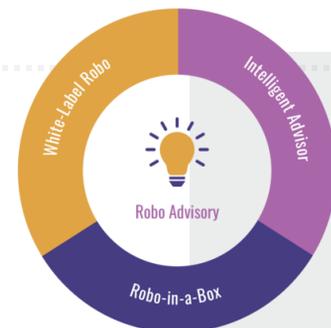
5/5



Wealth Management



Bambu, founded in Singapore in February 2016, provides a robo-advice service (both mobile and desktop) to businesses looking to offer this without developing it in-house. Intelligent Adviser is a service for private banks that provides a unified view of the market as well as a house view, and recommends relevant investment ideas for client portfolios. White Label Robo is a service that creates a personalized portfolio and risk profile for each client's life goals, rather than the standardized model portfolio.



Is it original?

Many other white-label robo-advisors have launched in the market, making this offering similar to several others.



Is it long-lasting?

Yes. Unlike other white-label robo-advisors, Bambu has attracted the backing of leading asset managers such as Franklin Templeton, suggesting there is more staying power to its offering. Standard Chartered, Crossbridge Capital, and Thomson Reuters are all currently working with Bambu.



Is it operationally game-changing for the provider?

The company has raised over \$1m in funding since the start of 2016, with the Franklin Templeton investment occurring only recently in September 2017. It is now scaling up and has generated over \$500,000 in revenue.



Will it significantly improve the user experience?

The software aims to bring robo-advice to a wide variety of financial services businesses, ranging from those offering basic savings up to and including complex investments for HNW clients. The portfolios are personalized to individual life goals, which is a significant step up for many of those clients who previously would have been served by generic model portfolios.



Is it market-changing?

No. The service will allow more financial advisors and institutions to offer robo-advice to their clients, but it is but one company offering this functionality to existing financial services businesses.



TOTAL SCORE

3/5



Citigold

Citigold Private Client, a wealth management service for clients with assets of \$1m–10m, has launched the Young Successor Program in Asia Pacific. The program, developed in partnership with Wharton School of Business, aims to provide clients' children (18–24 years old) with the skills necessary to maintain family wealth while embedding the Citi brand among the next generation. This is an adaptation of a program Citigold ran previously for clients of its private bank with assets of +\$10m.

Paving The Way For Success



Is it original?

There are a number of such programs in the market; Citi is simply adapting a similar program it has previously offered to the children of its UHNW clients. This is the first time the program has been offered outside of a private bank environment, however.



Is it long-lasting?

This is the first time that Citigold is offering this service to non-private bank clients. As a perk for its Citigold Private Client customers it should prove enticing, particularly in Asia where parents are fiercely invested in the success of their children and family business endures as a major source of wealth.



Is it operationally game-changing for the provider?

In the near term there will be no change to Citigold's business volumes or performance. It is an investment in the long term retention of client assets and building a relationship with the next generation. Intergenerational wealth transfer is a key risk for any wealth manager, as heirs frequently abandon their parents' advisors.



Will it significantly improve the user experience?

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



Is it market-changing?

While it was well received by the client base, it is unlikely to cause a significant shift in the market position of Citigold Private Client relative to its main competition, such as DBS Treasures Private Client or UOB Privilege Reserve.



TOTAL SCORE

2/5

Goldman Sachs launches securities-based lending service



Goldman Sachs

Goldman Sachs has launched a digital platform for customers of other wealth management firms and brokerages, so they can apply for loans against their securities portfolio of at least \$150,000 in non-retirement AUM for loans of \$75,000–25m. The service, called Goldman Sachs Private Bank Select, allows advisors to offer these revolving interest-only lending facilities to their clients for any purpose other than margin investing. Underwriting is automated and the loan can be repaid at any time. Goldman is partnering with Fidelity to find third-party advisors and brokers interested in providing the service.

STEP	ESTIMATED TIME TO COMPLETE	STAKEHOLDERS
1 Term sheet created (optional)	Under 10 min	Financial Advisor, Lender
2 Application initiated	Under 5 min	Financial Advisor, Lender
3 Application completed	Under 15 min	Client
4 Underwriting	Under 5 min	Automated GS Select System
5 Collateral accounts pledged	Under 5 min	Financial Advisor
6 Loan reviewed	Under 5 min	Financial Advisor Supervisor
7 Loan agreement reviewed and signed	Under 30 min	Client
8 Loan booked*	Start to finish Under 24 hrs	Automated GS Select System

Is it original?

While securities-based lending is not new, the fully automated digital platform allows for same-day loan approval to clients of third-party advisors, a rare degree of efficiency not common due to its lower volumes compared to more mainstream consumer lending.



Is it long-lasting?

The efficiencies it generates around loan generation and approval should prove attractive for smaller advice firms that were previously unable to extend such credit.



Is it operationally game-changing for the provider?

No. While Goldman Sachs has been trying to step up its lending business, the niche size of the market means that even the expanded portfolio of securities-based loans that the bank writes will constitute only a small element of the bank's balance sheet.



Will it significantly improve the user experience?

Previously most of the small-scale advisors and wealth managers would not have been able to offer such credit to their customers, so it is a significant improvement. Lending in this area has traditionally been ad hoc and paper-based, so digitization and automatic underwriting are an improvement.



Is it market-changing?

Securities-based lending is not uncommon within organizations and has become more popular since the financial crisis. This will likely extend such credit to smaller firms that previously did not have access. However, such business will only ever be a situation product, such as for bridging loans, and will not significantly alter such advisors' business.



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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- What Mobile (2017) [*New InMyBag Insurance Service Will Protect Your Gadgets and Data*](#)

Ask the analyst

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