Weekly News Update

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News Count

Sector	Number of Articles	%
Analytics/IoT	4	8%
Bank Technology / Solutions	10	21%
BPO	2	4%
Financial Management Solutions	2	4%
Healthcare Tech	1	2%
Insurance "Tech"	4	8%
Payments	15	31%
Securities "Tech"	1	2%
Specialty Finance / Alternative Lending	4	8%
Other	5	10%
Total	**48**	100%

Zions Bancorporation goes live on TCS BaNCS platform for Core Banking

07/17/17

Tata Consultancy Services (TCS) (BSE: 532540, NSE: TCS), a leading global IT services, consulting and business solutions organization, announced today that Zions Bancorporation has gone live on TCS BaNCS for Core Banking with the successful transition of Zions Bancorporation's Consumer Lending business over to the TCS BaNCS platform, a major milestone in the North American Banking industry's march towards modernization.

Zions Bancorporation selected TCS BaNCS after an extensive review of U.S. and global core banking vendors. The core transformation program, titled "FutureCore," is divided into phases and Consumer Lending for the 7 affiliate banks is the first phase to go live, with other phases to follow.

Scott McLean, president and COO of Zions Bancorporation, said, "The completion of this consumer lending installation represents our first step toward having a fully integrated core loan and deposit system. This project has served as an impetus for us to address customer and employee frustration points, simplify and de-risk how we do business, and make us more agile in adapting to future digital technology, customer and regulatory expectations. Ultimately, having a simplified back office and providing significantly greater information to our frontline bankers has a meaningful impact to customers. This core transformation initiative is foundational to our digital transformation objectives: to improve the customer experience, digitize and streamline operations, and better leverage our data assets to better serve our customers."

Ashvini Saxena, head of Americas for TCS BaNCS, said, "The successful deployment of TCS BaNCS at Zions is testimony to the commitment from both Zions and TCS to make this happen. It's a significant landmark not just for TCS and for Zions, but for the banking industry in North America. The TCS BaNCS deployment provides Zions a parameterized, U.S. market compliant, real-time solution, sets up Zions to go digital, be nimble and efficient, and ultimately shift to a customer centric approach."

Commenting on the go-live, Joe Reilly, chief technology strategist of Zions Bancorporation, said, "TCS' experience in large program delivery has been demonstrated extensively throughout the FutureCore program. We selected TCS because of the TCS BaNCS product's rich functionality, the company's extensive track record of successful implementations around the world, and their focus and flexibility in ensuring that our program is a success and really stands out."

http://www.prnewswire.com/news-releases/zions-bancorporation-goes-live-on-tcs-bancs-core-banking-software-300489003.html

Infosys Finacle named as a leader in digital banking engagement

07/21/17

Infosys Finacle announced that it has been named a leader by Forrester Research, Inc. in 'The Forrester Wave: Digital Banking Engagement Platforms, Q3 2017' report. EdgeVerve was recognized as a leader for its Finacle suite of digital banking solutions among 11 leading global banking platforms, which were evaluated on a comprehensive set of 35 criteria focusing on strategy, current offering and market presence.

EdgeVerve received the highest score among all vendors in the categories of 'Strategy' and 'Market Presence' that indicates the reach of the Finacle solution

EdgeVerve received the highest score in 18 of the 35 criteria used in the assessment – these include Analytics, Directly Supported Channels, Gamification, App Architecture & Infrastructure, Identification & Authentication, and Live Scalability

Finacle suite of solutions was also rated highest among the evaluated solutions in the criteria of market approach, installed base, technology, architecture, and delivery.

Referring to EdgeVerve and Finacle suite of solutions, Jost Hoppermann, VP and Principal Analyst, Forrester mentions in the report, "EdgeVerve delivers across a number of capabilities, and shows no deep gaps… It broadly supports retail, corporate and private banking; and its build-in analytics have visibly improved compared with our earlier Forrester Wave… (Artificial intelligence) AI is a key element of EdgeVerve's plans: Robo-advisors for wealth management and conversational AI for voice banking are only two examples… When talking to reference customers, we noted their satisfaction with the solution's security features and functions."

Sanat Rao, Chief Business Officer and Global Head, Infosys Finacle, said, "To succeed in today's dynamic environment, banks need to undertake comprehensive digitization and re-design customer journeys by leveraging modern technologies such as AI, analytics and IoT. With Finacle solution suite, we provide banks with comprehensive digital banking capabilities to innovate continuously and design frictionless banking experiences. We believe that this rating by Forrester is a testimony of our ability to deliver market-leading solutions to help banks accelerate their digital banking transformations."

http://www.dqindia.com/infosys-finacle-named-as-a-leader-in-digital-banking-engagement/

Swiss fintech Flynt gets banking licence

07/21/17

Flynt becomes the first Swiss fintech company to obtain a banking-license from FINMA and operates now under Flynt Bank AG.

The resolution was registered at the Commercial Register of the Canton of Zug on 21 July 2017 and will be published in the next days.

The banking-license allows FLYNT the required independence to approach Wealth Man- agement in new ways and using innovative technologies, thus enabling private and institutional clients, such as entrepreneurs and family offices, to independently control their total wealth at all times.

https://www.finextra.com/pressarticle/70139/swiss-fintech-flynt-gets-banking-licence?utm_medium=dailynewsletter&utm_source=2017-7-24

UK court blocks £14 billion class action case against MasterCard

07/21/17

A £14bn class-action lawsuit against MasterCard for allegedly overcharging more than 45 million people in Britain over a 16-year period was blocked by a British court on Friday.

The competition appeal tribunal (CAT), a newly empowered court that oversees Britain's fledgling class action regime, ruled that it would not grant the necessary collective proceedings order for the case to continue to trial.

Had it been allowed to proceed, the case would have been the largest and most complex in British legal history and would have tested the limits of the new Consumer Rights Act, which introduced US-style "opt-out" collective class actions for breaches of UK or European Union competition law in 2015.

MasterCard welcomed the judgment, saying the claim was "completely unsuitable" to be brought under the collective action regime.

A law firm, Quinn Emanuel Urquhart & Sullivan, launched the case on behalf of adults in Britain after MasterCard lost a drawn-out appeal against a 2007 European commission decision that ruled its fees were anti-competitive.

The case centred on so-called interchange fees, the charges levied by credit and debit card companies such as MasterCard on merchants' banks, which card companies say cover the costs of operating card services, security and innovation.

It alleged these fees were a significant cost for retailers and were passed on through increased prices of goods and services to all UK consumers, including those who paid in cash and not just MasterCard holders.

London-based Walter Merricks, a lawyer who once led the Financial Ombudsman Service group that handles consumer disputes with banks and who is the representative named on the proposed action, said he was considering an appeal with his advisers.

"The new collective action regime was introduced by the Consumer Rights Act to overcome the difficulty for consumers seeking to recover losses from competition law infringements," he said. "I am concerned that this new regime, designed to benefit consumers, may never get off the ground."

He added that concerns cited by the tribunal, which included the difficulties in providing evidence that MasterCard fees were passed on to consumers and in precisely calculating individual losses for so many consumers, could have been overcome.

The planned lawsuit had been dubbed by one lawyer the "perfect exam question" for Britain's CAT, nominated in 2015 to oversees the country's maiden "opt-out" class action lawsuits in antitrust cases.

Under the regime, UK-based members of a defined group are automatically bound into legal action unless they opt out.

Critics say such regimes encourage claims without merit. But others argue they are designed to offer a more effective and economic route to compensation for UK-based consumers and businesses that fall victim to anti-competitive conduct and saves on hefty advertising costs to rally a large group together.

The high court ruled in January that MasterCard had charged interchange fees at a lawful level and without restricting competition in a similar dispute with retailers.

https://www.theguardian.com/money/2017/jul/21/uk-court-blocks-14bn-class-action-case-against-mastercard

ANZ now boasts of 4 mobile wallet connections with Samsung Pay being the latest addition

07/21/17

ANZ bank announced its customers in Australia can now use Samsung Pay to make purchases wherever contactless payments are accepted, according to a press release.

The introduction of Samsung Pay marks the fourth mobile payment service ANZ offers its Australian customers. The bank also supports Android Pay, Apple Pay and its proprietary wallet, Go Money.
ANZ is the only major Australian bank to offer customers four mobile payment services across both Android and iOS devices.

"Our customers have been asking for this and we have listened," Bob Belan, ANZ's managing director of products, said in the release. "It made sense for us to introduce Samsung Pay in Australia given its strong market share and open approach to technology that its customers highly value."

https://www.mobilepaymentstoday.com/news/anz-now-boasts-4-mobile-wallet-connections-with-samsung-pay-addition/?utm_source=Email_marketing&utm_campaign=emnaMPT07242017&cmp=1&utm_medium=html_email

Omnivore partners with PAR Technology's cloud-based Brink POS® software

07/24/17

ParTech, Inc. (PAR), a leading global provider of point of sale (POS) and workforce efficiency solutions to the restaurant and retail industries announced a new partnership with Omnivore, the cloud-based universal API shrinking the gap between restaurants, developers and suppliers. The technology partnership will now enable PAR's Cloud-Based Brink POS® Software to connect with a host of new technologies. ParTech, Inc. is a wholly owned subsidiary of PAR Technology Corporation (NYSE: PAR).

Omnivore's development platform enables a single API integration, seamlessly facilitating connections to POS systems in ways never before achieved. By lowering the technology integration barriers for app developers, Omnivore simplifies the process for restaurants to test and evaluate new technologies, including reservation, delivery, mobile ordering and more, through a proven interface installed on a POS system. Through the integration, restaurant operators will be able to access a rapidly expanding marketplace of apps designed to drive better insight into operations and more efficient customer service. The marketplace allows restaurants to seamlessly test and activate different applications, and to compare performance results side by side.

"Omnivore helps create the ultimate set of customer service tools by allowing operators to easily test and deploy the latest app technologies and maximize revenue opportunities by increasing customer engagement," said Mike Wior, CEO & Co-Founder, Omnivore. "We have a history of extremely positive experiences working with Brink, and set a goal early on to integrate with the software because we knew it would provide operators with a competitive advantage in the crowded restaurant landscape. This partnership increases revenue potential by opening new insight into operational efficiencies and enhancing customer interaction."

Omnivore's unique universal API will now connect Brink to a host of new technologies through a single integration that bridges the digital divide in the restaurant industry. Through open, online exchange, Omnivore and Brink's partnership will provide restaurants and suppliers with quick and easy activation of digital solutions.

"Brink POS boasts one of the largest partner ecosystems available in the restaurant industry and we are delighted to now welcome Omnivore as an integration partner," said Paul Rubin, Chief Strategy Officer, ParTech, Inc. "This partnership allows restaurants access to all of the applications enabled by Omnivore and its App Marketplace, which is another example of how Brink POS continues to be the leading open platform for restaurants."

https://www.partech.com/omnivore-partners-par-technologys-cloud-based-brink-pos-software-2/

NCR and DoorDash join forces to simplify the end-to-end dining experience

07/24/177

NCR Corporation announced an agreement with DoorDash, an on-demand delivery platform operating in more than 500 cities nationwide, for the planned integration of the DoorDash marketplace to the NCR Aloha Platform-of-Sale (POS). The integration will allow restaurants to more efficiently receive and manage delivery orders placed through DoorDash, while helping to provide a better experience to DoorDash customers.

Integrating delivery orders directly into the POS will makes it easier for restaurants on DoorDash to manage their orders, increase accuracy and save time. DoorDash will leverage NCR's API ecosystem to integrate its delivery marketplace to the NCR Aloha Platform, enabling automated order entry. The integration will be available to restaurants using NCR Aloha and DoorDash in the coming months.

DoorDash's platform is used by the most top 100 national restaurant brands to power their on-demand delivery business, making them a natural fit for a partnership with NCR Aloha. In addition to their respective leadership in serving restaurants, NCR and DoorDash also share common customers in the retail sector. The opportunity created by this partnership and NCR's omni-channel approach has the potential to create significant value for NCR, DoorDash, and their common customers.

"We are excited to hear of the integration efforts between Aloha POS and DoorDash. Our partnership with both DoorDash and NCR will open up doors for P.F. Chang's to deliver its made from scratch food to even more guests outside of our restaurant in a consistent and timely manner," said Dwayne Chambers, chief marketing officer for P.F. Chang's. "The integration between DoorDash and NCR will allow us to update our in-restaurant and delivery menus at the same time, on one platform. This helps us to realize a number of operational efficiencies and ensures that our diners can choose from the most updated menu items, whether they're eating in our restaurant or dining in the comfort of their own home."

http://hospitalitytechnology.edgl.com/news/NCR-and-DoorDash-Join-Forces-to-Simplify-the-End-to-End-Dining-Experience110210

Payably partners with CardConnect to simplify mobile payments for small businesses

07/24/17

Payably, which calls itself a fintech platform offering one of the only mobile payments products to integrate data with QuickBooks Online in real-time, has announced its partnership with CardConnect, a payment processing and technology company.

Payably will integrate CardConnect's payment processing technology with its already-existing mobile payments platform, according to a press release.

Houston-based Payably said this strategic partnership enables it to streamline its merchant services offering by simplifying and speeding up each aspect of the mobile payments process — the initial onboarding (registration and approval), processing payments, and receiving payments.

Additionally, this partnership provides Payably with the flexibility to offer competitive card processing rates and increases the level of data security integrated into the platform.

"CardConnect's recent focus has been on attracting innovative partners and developing our strategic relationships with products like Payably," Angelo Grecco, chief business development officer at CardConnect, said in the release. "Through these partnerships, we are able to better service our SME customers both directly and indirectly."

Payably announced changes to its subscription offerings in conjunction with the partnership. It now will offer three distinct services, which can be bundled based on customer needs — a shift from the all-in-one platform previously offered:

Payably NOW is a mobile payments app powered by CardConnect that is compatible with chip cards and NFC payments.

Payably SYNC is a mobile point of sale (mPOS) app that syncs data between mobile payment transactions and QuickBooks Online in real time, including customer data, SKUs, and tax rates.

Payably INSIGHT is a technology that works with Payably NOW and Payably SYNC to generate up-to-the minute reports based on transactions, providing insight into sales, revenue and customer data.

https://www.mobilepaymentstoday.com/news/payably-partners-with-cardconnect-to-simplify-mobile-payments-for-small-businesses/

Columbia Bank selects Vantiv as merchant services partner

07/24/17

Vantiv, Inc. (NYSE: VNTV), a leading provider of payment processing services and related technology solutions for merchants and financial institutions of all sizes, announced today that Vantiv has been selected by Columbia Bank to provide its business customers with a full-suite of innovative payments solutions. The multi-year agreement will support Columbia Bank's network of branches in the Northwestern United States. Columbia Bank, a full-service commercial bank, is headquartered in Tacoma, Wash., serving communities in Washington, Oregon and Idaho.

"Supporting the economic success of our business clients is an expression of our customer promise, and partnering with Vantiv builds on that commitment by allowing us to offer seamless and secure payment solutions through a trusted source," said Bruce Morehead, Senior Vice President of Banking Solutions at Columbia Bank. "Vantiv's track record indicates its dedication to innovation, and this commitment improves our ability to offer merchants top-notch services and solutions featuring the latest in security, technology and analytics."

Vantiv's merchant services program will provide the ability for Columbia's business customers to accept multiple electronic forms of payment such as debit, credit and gift cards across various channels, whether at brick-and-mortar stores or in card not present including online and through mobile devices. With data-driven solutions like Vantiv iQ, Columbia Bank's clients will have access to a robust, web-based reporting tool that gives business owners actionable insights to run their companies more efficiently and effectively.

"Working with Columbia Bank to expand their payment solution offerings is an important partnership for Vantiv," said Kelly Beatty, Senior Vice President of merchant solutions for financial institutions at Vantiv. "Columbia Bank is recognized for their commitment to providing highly personalized service and innovative payment solutions to its customers and communities, and our services and solutions will take that effort even further."

Vantiv, which works with financial institutions of all sizes, provides merchant services at nearly 5,000 banking branches throughout the United States.

http://www.prnewswire.com/news-releases/columbia-bank-selects-vantiv-as-merchant-services-partner-300492750.html

MasterCard, Visa, and Amex are trying to enter China

07/24/17

US card networks MasterCard, Visa, and American Express are preparing to submit a license request to operate in China, according to Reuters.

Although the process, which includes having to clear regulatory banking hurdles and security scrutiny, could take two years or longer, these card networks clearly see the massive opportunity in China.

China's card market is poised to be the largest in the world, which makes entering the region a significant growth opportunity for US networks.

Cards are an integral part of the Chinese payment industry. China had over 6 billion cards in circulation in 2016, which will only increase over the next three years — cards in circulation are expected to rise to 9 billion by 2020, according to data by GlobalData Plc cited by Reuters. For context, this 2020 figure equates to roughly six cards per person in China.

The market has long been dominated by a single player, which could narrow the focus of challengers that hope to attract partners. UnionPay, the Chinese card network, has a complete hold on the market — it has a 90% market share of China's card industry, according to Nilson data cited by Fox Business. As a result of the region having a clear-cut leader in the space, US card networks only have to focus on rivaling the offerings of UnionPay, rather than the entire industry.

The U.S. payments ecosystem is in the midst of a shift toward mobile, and countless new and old stakeholders are attempting to accelerate this migration, which is moving at a glacial pace relative to other markets globally. But mobile payments can rise to the mainstream. For companies seeking to build out a robust mobile payments product, China's thriving mobile payments ecosystem offers some insight — and some lessons.

BI Intelligence, Business Insider's premium research service, has compiled a detailed report on mobile payments in China that:

- Forecasts and compares mobile payments volume, in-store mobile payments users, mobile payments volume per capita, and mobile commerce penetration in China and the U.S.
- Overviews the key competitors in China's mobile payments market, and how new entrants may shuffle the hierarchy of dominant players.
- Uncovers the key drivers propelling China's mobile payments market.
- Identifies which drivers the U.S. can import from China, and which barriers may be standing in the way.

http://www.businessinsider.com/mastercard-visa-and-amex-to-enter-china-2017-7?IR=T

Singapore startup takes Bitcoin into real world with Visa

07/24/17

A recurring challenge for bitcoin and other cryptocurrencies is how to make them work in the real world. A Singapore-based startup says the answer is its Visa card.

TenX is pitching its debit card as an instant converter of multiple digital currencies into fiat money: the dollars, yen and euros that power most everyday commerce. The company said it takes a 2 percent cut from each transaction and has received orders for more than 10,000 cards. While transactions are capped at $2,000 a year, users can apply to increase the limit if they undergo identify verification procedures.

Tenx's bid to make digital currencies easier to spend comes amid massive volatility and infighting within the cryptocurrency community. Bitcoin, the most popular, slumped after reaching a record in June amid concerns about a split in two, only to recover as fears faded. The company has built an app that serves as a digital wallet connected to the Visa card so that when it's swiped at a cafe or restaurant, the merchant is paid in local currency and the users' crypto account is debited.

"You're mixing two worlds that are night and day," co-founder Julian Hosp said in an interview. "When the user spends the cryptocurrency, we have to instantly switch these currencies to fiat and pay to Visa straight away. It's a lot of pathways."

Hosp said transactions are processed immediately and it doesn't impose any charges on top of the conversion fee that is set by cryptocurrency exchanges, which typically is 0.15 to 0.2 percent. The card now supports eight digital currencies, including the lesser-known dash and augur, and aims to offer about 11 of them by the end of the year.

TenX currently processes about $100,000 of transactions a month. By the end of 2018, it's targeting $100 million in monthly transactions and a million users.

TenX has an advantage in moving early, but the startup can expect competition in the future from major financial institutions and venture capitalists with deeper pockets and direct access to clients and databases, said Mati Greenspan, a Tel Aviv, Israel-based analyst at social trading platform eToro.

"It's an incredible concept," said Greenspan. "At the end of the day, it's going to depend a lot on customer relations. Are they meeting the customers' expectations? Can somebody else do it better?"

TenX's efforts to make digital currencies spendable come as it joined the many blockchain-based startups taking advantage of initial coin offerings. ICOs are a cross between crowdfunding and an initial public offering that firms use to raise funds by issuing digital tokens rather than stock.

In its token sale last month, TenX raised $80 million with about half to be used to expand operations while the rest will provide liquidity for a cryptocurrency exchange in the works, said Hosp.

The company had previously raised $120,000 from angel investors and $1 million in a seed round led by venture capital firm Fenbushi Capital, which lists Ethereum's co-founder, Vitalik Buterin, as a general partner. TenX isn't expecting to become profitable in the next two years as it focuses on expanding services.

"One thing we want to offer in the end, is that you can switch cryptocurrencies within the app," said Hosp. "If we do this, we can become the market maker, which can bring in a lot of revenue."

https://www.paymentssource.com/articles/singapore-startup-takes-bitcoin-into-real-world-with-visa

Visa partners with Nigerian banks to enhance its mobile payment service

07/24/17

Visa, a global payments solution provider, in collaboration with some Nigerian banks, has launched mVisa, its innovative mobile payment service, in Nigeria. The solution is currently being rolled out across Africa.

mVisa, which is a mobile payment platform, is targetted at giving Nigerian consumers an enhanced experience in mobile payment, irrespective of the mobile app and the bank that is providing the app. It will enable bank customers to enjoy easy and secure payments and merchants will also benefit from the innovative mobile QR technology that reduces cost and friction for accepting electronic payments.

Launched in Lagos last week, consumers from Visa's Nigerian partner banks can pay with any mobile phone wherever mVisa is accepted. mVisa transactions are processed via Visa's global network, VisaNet, applying the same scale, security and reliability as any other Visa transaction.

The banks that have already hooked on to the mVisa platform, include Diamond Bank, Fidelity Bank and First Bank. They are expected it will offer their customers the convenience of mVisa through their mobile banking apps. Access Bank, Ecobank, United Bank for Africa and Zenith Bank, have concluded deal with Visa to go live with mVisa in the coming weeks. Nigeria is the first market to provide customers the convenience of making cross-border payments using mVisa.

Speaking at the launch event, President for Visa sub-Saharan Africa, Andrew Torre, said: "Small and medium merchants in particular, no longer have to invest in expensive point of sale infrastructure as mVisa gives them the freedom to accept payments in a convenient, secure and affordable manner that their customers trust."

"We are very excited to see more and more merchants come on board every day as they begin to understand the benefits that mVisa brings, including real-time notifications of payments and access to sales and transactions history. We have campaigns lined up for the coming months to support our merchants and encourage new customers to experience mVisa at various locations across Nigeria." Torre said.

Diamond Bank's Group Managing Director and Chief Executive Officer, Uzoma Dozie, stated that the launch of mVisa was timely and aligned with the cashless policy of the Central Bank of Nigeria (CBN) and the digital growth strategy of the bank.

''With mVisa, Diamond Bank has raised the bar for cashless banking in Nigeria," Dozie said.

The Chief Information Officer (CIO), Fidelity Bank, Gbolahan Joshua, said: "mVisa is an innovative service that merges the everyday mobile phone to a payment solution plan that is easy for our customers to use. Our account holders will appreciate the convenience mVisa offers."

FirstBank's Group Head, E-Business, Chuma Ezirim said the bank would continue to embrace innovation to deliver superior services in the best way possible to its customers.

" Partnering Visa to deliver mVisa is part of the FirstBank's strategy to deliver reliable, secure and convenient payment options to its esteemed customers," Ezirim said.

The mVisa implementation in Nigeria benefitted from the Visa Developer Platform, which allows all partner banks the ability to integrate the mVisa APIs directly into their mobile banking apps.

https://www.thisdaylive.com/index.php/2017/07/24/visa-partners-banks-to-enhance-mobile-payments/

Dutch university turns to ABN Amro app to get students to pay tuition fees

07/24/17

In a bid to encourage tardy students to pay their tuition fees on time, Dutch institution Groningen University is set to start sending payments requests over ABN Amro's Tikkie app. The university says that students pay their fees by standing orders but, inevitably, some end up being declined, which can lead to the guilty parties being barred from lectures and online learning material.

Launched last year, Tikkie enables users to select a person from their WhatsApp contacts to send a payment request alongside a one-click link to the Dutch online payment service iDeal. Funds transferred over iDeal are automatically credited to the customer's current account.

The app is popular among students, regularly used by them to pay each other back for things such as lunches, and the university is hoping that this means messages sent over it will actually be read so recipients (or their parents) can pay up.

Frank Verkerk, chief digital officer, ABN Amro, says: "Tikkie has been developed as a handy and friendly way to send payment requests among friends. But Tikkie can also be used by institutes of education to make it easier for students to pay tuition fees. Both the universities and the students are set to gain from this."

https://www.finextra.com/newsarticle/30872/dutch-university-turns-to-abn-amro-app-to-get-students-to-pay-tuition-fees

P2P lending platforms poised to join Nutmeg and Seedrs on Fidor marketplace

07/24/17

Partnerships between the many and various different companies in the many and varied fintech niches have been a strong trend in disruptive financial services in recent months.

While firms struggle to scale up, increase revenues and maybe even turn profit, the notion that 'synergies' may exist between different firms has become a new route to the tricky task of acquiring new customers.

One of the most interesting and recent of these partnerships is between challenger bank Fidor and host of other players such as digital wealth manager Nutmeg. Fidor's UK commercial customers can now access a whole suite of investment opportunities through the digital marketplace, including access to alternative investment opportunities via a number of the most respected fintech companies in the UK.

Fidor Bank is a digital bank with over 100,000 users across Germany and UK. It became an early-mover in the digital banking space when it launched in the UK in 2015.

An update to the news of its partnerships marketplace from the company now suggests that investors and customers of Fidor will now also be offered a portal to invest in P2P and marketplace lending for those seeking alternative income sources as well as presumably lending options.

The firm said in a recent release: "...more leading fintech partners will be announced in the coming months as the scheme rolls out and is expected to include a number of debt based peer-to-peer platforms."

http://www.altfi.com/article/3262_p2p_lending_platforms_poised_to_join_nutmeg_and_seedrs_on_fidor_marketplace

Arch Insurance signs on to sponsor Plug & Play to develop relations with Insurtechs

07/24/17

Arch Insurance Group has partnered with Silicon Valley-based accelerator Plug and Play on its startup innovation platform, the companies announced.

The New Jersey-based insurer becomes Plug and Play's 50th industry sponsor, joining the likes of Aviva, USAA, Munich Re and Sun Life Financial in hopes of forging relationships with up-and-coming insurtechs. "We are very excited to team up with a dedicated organization that sits at the forefront of innovation within the industry," said Mark Lange, senior vice president of P&C programs at Arch Insurance, in a statement.

Last week, Plug and Play kicked off its search for its third batch of insurance startups to participate in its accelerator. Focus areas for this round include data analytics, chatbots, cybersecurity and wearables, according to the company. Its list of 150 applicants so far encompasses insurtechs from Asia, Europe and Africa. Selection day will be held at Plug and Play headquarters Aug. 30.

"Increased engagement from carriers and traditional corporations in the industry has encouraged entrepreneurs and investors to enter the Insurtech space," said Ali Safavi, director of Plug and Play Insurtech. "This trend can only improve processes, distribution, risk management, and increase efficiency for many of our corporate participants."

https://www.dig-in.com/news/arch-insurance-signs-on-to-sponsor-plug-play-insurtech

TDC Hosting chooses Clarizen to boost efficiency and workplace collaboration

07/25/17

Clarizen, a global leader in collaborative work management software, today announced that Danish IT operations specialist TDC Hosting has selected its cloud-based platform to achieve better efficiency and collaboration in its Project Management Office (PMO) and project management across the company.

"Clarizen is a natural fit for our company, as it offers one of the most business agile and adaptable collaborative work management solutions – and the fact that it is a cloud-based platform means it was easy to implement and requires relatively simple installation," says Henrik Hesselberg, Head of the PMO at TDC Hosting.

"To deliver the best possible service to our clients, it is crucial we are able to accurately log time spent on each project and make quick and easy updates to plans in order to ensure they can be delivered on time and on budget," he adds. "Clarizen addresses areas in which we can improve and help our project managers to become more collaborative and productive."

Prior to choosing Clarizen, TDC's project managers used a number of applications, making PM governance and resource management challenging. Clarizen now provides a means of monitoring and updating the status of TDC Hosting projects in real-time, streamlining and automating processes, while logging risks and issues.

"Clarizen will extend visibility on projects and improve our planning immensely," Hesselberg notes. "It's automated features will give our project managers back the time they are spending on manual tasks at the moment, and make it easier for the rest of the business to collaborate with them."

David Goulden, Product Director at Clarizen, says the service offers TDC Hosting, and companies like it, a platform for improving the business agility and effectiveness of their project management teams and boosting collaboration with other departments as their business develops.

Goulden says: "Clarizen affords growing businesses such as TDC Hosting a scalable PM solution through which they can achieve alignment on objectives and activities. It enables them to standardize processes, facilitating cross-team communications and collaboration on specific tasks.''

Since 2004, TDC Hosting has expanded rapidly, growing from 15 employees to 300 and its turnover has increased from 70 million to half a billion Danish Kroner. The company, which offers IT outsourcing, provides cloud solutions and operates data centers, currently has 160 active projects.

https://www.realwire.com/releases/TDC-Hosting-chooses-Clarizen-to-boost-efficiency-and-workplace-collaboration

FINSYNC and Worldpay US team up to help businesses improve their operations

07/25/17

FINSYNC, a fully-integrated accounting and payroll platform, and Worldpay US, a global leader in payments processing technology and solutions, are teaming up to speed up the approved cash flow of businesses.

Through the new collaboration, FINSYNC customers can now connect their account to Worldpay to receive fast funding on online invoice payments. Worldpay customers will also have the option to integrate their accounts to FINSYNC, allowing them to experience centralized, automated accounting, invoicing and payroll functions through FINSYNC's cash flow management software.

"We are excited to team with Worldpay and combine our payments platform with their payment processing capabilities to accelerate the speed at which money passes from business to business," explained Anna Maiolo, COO of FINSYNC. "For any small business to grow, they need more of a partnership with their payment platform – specifically when it comes to great service, custom pricing and fast funding. Worldpay fills that gap quite nicely."

Over the last three years, FINSYNC has worked to simplify and streamline how small- to mid-size businesses (SMBs) across various industries manage every dollar coming in and out of the business. FINSYNC's platform accepts payments by ACH, debit and credit cards, lockbox payments and via electronic billing. The platform also provides a full-service solution for processing payroll online including time tracking, tasking, reimbursements and other functionalities.

Customers who process incoming, outgoing and payroll payments through FINSYNC find accounting happens automatically in a paperless environment, which eliminates much of the effort and cost associated with traditional accounting and payroll applications. With FINSYNC's advanced business intelligence engine, all transactions will be automatically categorized and reconciled with invoices, empowering businesses to operate with less effort and real-time analytics.

Through a direct, reliable integration with Worldpay, businesses will be able to invoice customers online, accept payments from debit and credit cards and have usable funds within hours, not days. In fact, businesses integrated with Worldpay are eligible for fast funding, as opposed to waiting 48 hours or more with other payment platforms.

"Teaming with FINSYNC will enable our merchants to experience a new level of speed and efficiency in operating the payments and accounting functions of their businesses," said Mike Frank, President of Strategic Partnerships, Worldpay US. "Providing our customers with efficient solutions which save them both time and money is a top priority for Worldpay. Both FINSYNC and Worldpay are focused on taking a people-first approach to helping our customers, which makes our partnership a natural fit."

"From our founding, we set out to help entrepreneurs succeed by empowering them with greater control of cash flow, real-time analytics and valuable insights. This is a solid step in that direction with a partner with whom we can innovate long-term," Maiolo continued. "Worldpay offers great terms, pricing and fast funding, all of which are quite meaningful in the lives of customers who may need access to good funds sooner."

http://www.prweb.com/releases/2017/07/prweb14536036.html

TSYS signs long-term contract with Denver-based Monetary LLC

07/25/17

Global credit-card and payment processor TSYS said Tuesday it has entered a long-term contract with Monetary LLC, a Denver-Colo.-based company that offers payment and marketing services for the point-of-sale industry.

Terms of the agreement were not released, but Columbus-based TSYS said it will be handling payment processing services for Monetary's software developers and small- to medium-sized merchants. The company, founded by financial industry veterans Jeff Katz and Shelley Plomske, helps those merchants set up Internet and mobile phone "experiences" that reach out to customers and help retain them.

"Monetary offers a single, integrated platform which includes their own payment gateway," TSYS said in its release. "TSYS will provide processing services to help bring this new solution to market, including authorization and capture, clearing and settlement, and chargeback functionalities. Monetary will also be integrating additional TSYS services and payment capabilities into the overall platform, including merchant onboarding tools."

Plomske, Monetary's chief executive officer and president, in a statement lauded the "distinguished history" of TSYS in the payment processing sector. "Monetary is pleased to be working with this respected resource for payment processing services," the executive said. "Together we offer best-in-class solutions for the dealers and developers we work with."

TSYS is scheduled to release its second-quarter earnings report Tuesday (today) after the New York Stock Exchange closes. The company's stock has been on an upward ride of late, reaching successive all-time trading highs. That includes trading today, with the stock hitting $62.83 early on, up from Monday's close of $62.62 per share.

http://www.ledger-enquirer.com/news/business/article163488483.html

Why Amazon is a threat to Mastercard and Visa

07/25/17

Visa and Mastercard hate cash, which is why they love that more people are shopping online. The rise of Amazon.com has been good for the major card companies so far, but that could change if Amazon decides it wants more control over how payments work on its site.

“We believe that Amazon poses a real, albeit long-term, risk to Visa, Mastercard, and PayPal,” Bernstein analyst Lisa Ellis wrote in a note to clients Tuesday. She sees several reasons why Amazon could become a payments disruptor, including its large user base, strong cloud-technology operations, and “sheer size,” accounting for perhaps 2% to 3% of all global card payment volumes.

At the very least, Amazon “brings the risk of brand obfuscation” for Visa and Mastercard, since people don’t often realize which credit card they’re using if they pay with a saved card or order something via voice commands.

The bigger threat, though, would occur if Amazon decided to create its own PayPal. “If there’s a value proposition for consumers to start storing their day-to-day spending funds in something like an Amazon Pay wallet, then that poses a longer-term risk to Visa and Mastercard,” Ellis says, since the card companies depend on users storing spending money in their bank accounts. For PayPal, a hypothetical Amazon Pay wallet would be a new direct competitor.

“This scenario is doable and reasonably likely over the next several years,” according to Ellis, as Amazon has already shown considerable interest in the payments space. The company has gotten favorable terms on its co-branded credit cards, gives Prime members 2% cash back if they use their checking accounts to store a balance, and lets users load up an Amazon account with cash. And Amazon tends to go all in on efforts.

http://www.barrons.com/articles/why-amazons-a-threat-to-mastercard-and-visa-1501012943

UK government to spend £14.5 million on cyber threat innovation centre in London

07/25/17

London will cement its place as a world-leader in the fight against cyber attacks and threats with an investment of up to £14.5 million in a new innovation centre to develop the next of generation of cyber security technology to help keep the nation safe. A competition to develop and design the new centre has been launched by the Department for Digital, Culture, Media and Sport.

The investment will be made over the next three years to bolster the UK's cyber security defences and help make the UK the best place to start and grow a digital business and the safest place to be online.

The innovation centre will see government bringing together large firms to work hand in hand with innovative startups and industry experts to develop the new technologies businesses will need to protect themselves. This will help make sure the UK's entrepreneurs are creating the solutions the market needs and securing crucial investment.

It will give startups access to expert technical mentoring, business support and advice to help them to grow in their early stages and contribute to the UK's thriving £22 billion cyber security sector.

Minister for Digital Matt Hancock said the following- "London is one of the world's most important tech sectors, with a record £5.6 billion investment in the industry in the past six months and a new tech firm formed every hour in the capital. Our investment in a new cyber innovation centre will not only cement the city's position as a world leader but also boost the whole country by giving UK firms access to the latest cyber technology and allowing start-ups to get the support they need to develop."

The new centre will build on London's thriving digital start-up scene with one tech company estimated to be formed every hour in the capital. The city is also home to the headquarters of the newly created National Cyber Security Centre - a part of GCHQ - which opened earlier this year.

It is one of two new centres being developed to help make sure UK firms have access to the latest cyber technology to secure their businesses.

An innovation centre in Cheltenham opened earlier this year with the launch of the GCHQ Cyber Accelerator programme. Seven start-ups have so far graduated from the GCHQ Accelerator with a competition to find the next cohort due to close on 9 August.

In the last few weeks London has also been confirmed as leading a host of new research projects to exploring how society can benefit from the power of interconnected devices while remaining safe, secure and resilient.

The projects are part of a £25m national investment over three years and are funded by the PETRAS Research Hub (led by UCL), as part of the Government-funded IoT UK research and innovation programme, as well as Lloyds Register Foundation, industry and public sector organisations.

https://www.finextra.com/pressarticle/70162/uk-government-to-spend-145-million-on-cyber-threat-innovation-centre-in-london?utm_medium=dailynewsletter&utm_source=2017-7-26

American Express integrates with Bitcoin wallet Abra

07/25/17

Today, we are excited to let you know that we are releasing a new feature that will let Abra customers fund their Abra wallet using an eligible American Express Card. (Eligible Cards are American Express U.S. Consumer Cards, American Express-branded Cards issued by third parties and American Express reloadable prepaid Cards.)

With this new funding option, American Express Card Members can now add funds to their Abra wallets immediately and send payments worldwide. This feature will be made available to a small group of Abra wallet users today and will be rolled out to our entire user base in the coming days.

Abra customers who are not yet American Express Card Members can sign up for a Card online or, for a reloadable prepaid Card, register online or visit a participating retailer to purchase a prepaid Card with cash. (You can find a list of the American Express Cards that are accepted at the end of this blog post.)

Instant funding with American Express cards makes it easier and faster than ever to send money worldwide. Payments and remittances that used to take days now take just minutes to receive. Abra recipients can use our network of Tellers in hundreds of cities worldwide to withdraw their funds as cash or withdraw funds to a bank account in the US and the Philippines. And with growing acceptance of bitcoin by major retailers and vendors worldwide, it is getting easier to spend funds directly from your Abra wallet every day.

https://www.finextra.com/pressarticle/70165/american-express-integrates-with-bitcoin-wallet-abra?utm_medium=dailynewsletter&utm_source=2017-7-26

Cloudwick and Logtrust announce strategic partnership to deliver the world's first neural system of intelligence for cybersecurity

07/25/17

Cloudwick, the developer of CDL, the World's First Neural Security System of Intelligence for Cybersecurity, and Logtrust, the Real-time Big Data-in-Motion as-a-Service firm for Fast Data, Big Data analytics, today announced an OEM partnership to deliver the world's first neural system of intelligence for cybersecurity.

The companies are partnering on CDL (see press release "Cloudwick Launches CDL, world's first Neural System of Intelligence for Cybersecurity at Black Hat USA 2017"- dated July 25, 2017) to enable security organizations to rapidly detect, respond to and resolve complex security threats using telemetry data (network packets, logs, alerts, netflow, etc.).

The alliance will combine the strengths of both companies to address enterprise cyber security needs, especially against today's top digital business threats including malware, ransomware, Advanced Persistent Threats (APT), Data Loss Prevention (DLP), insider threats, denial of service, botnets and nation state attacks.

CDL is designed to democratize security analytics at scale, unlock the potential of today's siloed security solutions, and provide a converged security analytic platform for enhancing and extending traditional security systems (IDS, IPS, SIEM, etc.) as well as powering User and Entity Behavior Analytics, machine learning, advanced analytics and artificial intelligence solutions.

"CDL is the system of intelligence for security at scale, enhancing, extending and expanding the capabilities and performance of legacy solutions and enabling newer machine learning, advanced analytics and artificial intelligence," said Mani Chhabra, CEO and founder of Cloudwick. "Logtrust provides real-time data in motion, giving the SOC insight into every stage of an attack. The integration enables enterprises to leverage automation, forensics, investigation and response."

"Through this unique partnership with Cloudwick, Logtrust enhances CDL with disruptive real-time threat hunting capabilities at scale and velocity," said Pedro Castillo, CEO Logtrust, Inc. "Now businesses can complement their SIEM with a single source of truth to pinpoint cyber security attacks and unusual behavior, visualize attack graphs, detect intruder paths and vulnerabilities, and access all data that is always hot."

https://www.benzinga.com/pressreleases/17/07/m9816154/cloudwick-and-logtrust-announce-strategic-partnership-to-deliver-the-wo

Capital One card data now exchanged with Xero

07/25/17

Back in May, we brought you the news that Xero was partnering with top 10 US bank, Capital One. Today, we're excited to announce that credit card feeds are now live through our integration.

Using a direct secure integration with Capital One's new application programming interface (API), small businesses are now able to connect their Capital One card data with Xero. This completely digital process gives users an on-demand view of their financial state.

Together, Xero and Capital One are offering small businesses the connection to financial services they need in a cost-effective and intelligent manner. Streamlining critical accounting functions of bank reconciliation, this integration enables small business owners to boost productivity and make more informed financial decisions.

Florian Marschoun is the Co-Owner of BellaEva Photography based in Kahului, Hawaii. He leverages the Xero and Capital One relationship to cut down the administrative burden of running his business.

"The ease of use of Xero and Capital One made them both an easy choice," Florian explains. "Having a fast overview of our current financial situation as well as automated, secure bank feeds are the most important features of an accounting platform.

"I spend a lot of time managing my business. I do everything from client communications to building our website to financial planning. Anything that helps me save time on administrative work is a bonus."

Speed of innovation

Xero is the first cloud accounting platform to offer a card feed integration with Capital One. The top 10 US bank is a natural partner for Xero, known for its innovative use of technology and data to deliver new and simplified banking experiences to customers.

Giving small business owners choice and access to secure, reliable data

The Capital One API leverages oAuth capabilities to provide Xero with tokenized authorization to access account information requested by customers. This means that Xero never needs to see the user's credentials. The integration will also strengthen data sharing security for Capital One small business customers. Additionally, it will grant more control over the financial data that they choose to share.

In the US, Xero integrates with other leading banks including Wells Fargo, Silicon Valley Bank and City National Bank. These integrations reduce administrative costs and improve access to vital financial services for small businesses.

Xero's integration with Capital One comes off the back of other banking relationships that Xero has in place globally. Xero partners with Commonwealth Bank and National Australia Bank in Australia, Barclays in the UK as well as more than 100 other financial institutions around the world in addition to global payments integrations with PayPal and Stripe.

At Xero, our banking integrations have proven invaluable to our more than one million subscribers around the world. With access to timely, reliable financial data, entrepreneurs can have more confidence in the health of their businesses and, in turn, thrive.

https://www.finextra.com/pressarticle/70166/capital-one-card-data-now-exchanged-with-xero

Western Union brings cash transfers to Australia's gas stations

07/25/17

According to reports, a new partnership between BP Australia and Western Union will allow consumers to send money overseas while they are at the petrol station topping off their tank. Australian consumers are already able to use Western Union's mobile app for sending money using a credit card. The new arrangement with BP will allow customers to set up a transaction using the app and then pay in cash at the gas stations instead of using a card.

The move comes as Western Union is fending off advances from FinTech start-up like TransferWise, which leverage mobile to make it easy for consumers to transfer money around the globe.

The new service will kick off in 302 BP stores nationwide — 150 which will have stand-alone kiosks. The remainder will encourage customers to use the app to arrange the transfers. Gas stations will be the first location Western Union is giving its kiosks a roll — if they work out, the firm says they could see deployment internationally.

The move, said Simon Millard, Western Union's country director for Australia, will open up Western Union services for those who are not able to reach a transfer agent during normal business hours (many Western Union agents — because they are post offices, travel agencies and currency exchangers — often aren't open night and weekends). Gas stations offer something of an ideal solution to this issue since they are often open 24 hours a day.

Targets for the new program include Uber drivers and other gig economy workers with an incentive to send money home to family abroad.

The move is of a piece with other actions WU has taken of late to increase its business line — in the U.S. it has expanded the presence of kiosks at Walgreens, in the U.K. it tried WHSmith bookstores and in France they went after Franprix supermarkets. It has also explored ways to boost its online-transfer business by partnering with messaging apps Viber and WeChat.

The goal, according to what Hikmet Ersek, Western Union's chief executive, said in an interview, is to goose growth with these digital offerings, which in the first quarter generated 26 percent more revenue than a year earlier but remain relatively small.

Revenue from consumer-to-consumer transactions — which make up 78 percent of the company's total — were roughly flat in the first quarter.

http://www.pymnts.com/news/2017/western-union-brings-cash-transfers-to-australias-gas-stations/

Wells Fargo faces scrutiny over new data breach

07/25/17

Wells Fargo, reeling from a fake account scandal, is facing more regulation scrutiny due to the unauthorized release of client data on tens of thousands of bank accounts.

According to a new report, the information accessed by a lawyer was on wealthy customers who do business with Wells Fargo's brokerage unit. A person with knowledge of the matter told The Globe and Mail that regulators are inquiring about the data breach after information was given by accident to an attorney as part of a lawsuit involving two brothers, one of which is a former employee.

Wells Fargo has come to the determination the accounts were from a branch of the brokerage in the northeastern part of the U.S. The report went on to note that officials from the Financial Industry Regulatory Authority informally reached out to one or more of the attorneys involved in the lawsuit to find out how the cybersecurity breach happened and how Wells Fargo found out. The bank's lawyers are contacting the regulators about the data breach as well, noted the report.

"Wells Fargo takes the security and privacy of our customers' information very seriously," the banking firm said in a statement according to the report. "We are currently taking legal action to ensure the additional data is not disseminated, and we are requesting its rapid return. We continue to thoroughly investigate this matter and will take the proper steps, including corrective action, based on the outcome of our investigation."

The latest cybersecurity breach comes less than a year after the company was hit with a scandal in which Wells Fargo employees had been opening a slew of fake accounts in its retail banking units without permission. That resulted in a record fine, the ousting of key executives, including the CEOm and an overhaul of the corporate culture at the company. The scandal has also hurt the bank's reputation and its stock price.

http://www.pymnts.com/news/security-and-risk/2017/wells-fargo-faces-regulatory-scrutiny-over-data-breach/

Wirecard among first to offer payment guarantee for credit card payments

07/25/17

Wirecard, the digital payments solutions company, rolled out a mobile payment guarantee for credit card payments. In a press release announcing the news, it said it is among the first companies to offer this service.

Wirecard is going after the small and medium-sized online merchant marketplace with this service, given payment defaults from their customers can create economic challenges for the merchants. In a press release in Finextra, the company said it is taking the step given its leadership position in the field of risk management solutions.

The Fraud Prevention Suite (FPS) uses innovative technologies such as machine learning and artificial intelligence in the process. Merchants' conversion rates can be markedly improved with the FPS, resulting in significantly increased sales, Wirecard noted. The payment guarantee based on the Wirecard risk management solution reveals just how precisely the pre-recognition and fraud prevention processes now work, thereby providing the logical next step.

"Offering our merchants this exceptional level of value-added services is an important step for us. Merchants want a single portal for all questions regarding transactions and value-added services. The Checkout Portal is already the most comprehensive product of its kind on the market, and with the integration of the payment guarantee, we are further extending our market leadership, all the while maintaining our original, unchanging objective of allowing merchants to concentrate on their core business with payment processes running smoothly in the background," said Christian Reindl, executive vice president of Sales Consumer Goods at Wirecard.

The digital payments solution will initially be available for new merchants using Wirecard's proprietary SUPR platform in Germany and will soon be rolled out across Europe.

SUPR is an eCommerce mobile payment solution from Wirecard for a quick and easy start into the online business. On registering with the platform, shop operators can integrate the online payment guarantee solution as an additional, optional payment package. In the next step, the online payment guarantee for credit card payments will be integrated within the comprehensive Checkout Portal.

http://www.pymnts.com/news/payment-methods/2017/wirecard-offers-guarantee-for-credit-card-payments/

J.C. Penney now accepting Apple Pay nationwide

07/25/17

J.C. Penney is accepting Apple Pay nationwide and making its store-branded credit card available on Apple Pay so its Reward customers can continue to earn loyalty points.

Penney customers can process purchases through Apple Pay by holding their iPhones or Apple watches near the sale terminal instead of inserting a credit card. Penney just upgraded its own mobile app, which also has a wallet function. The company says it plans to add Apple Pay capability to the Penney app for online purchases.

Penney launched a new loyalty program earlier this month, and by adding Apple Pay, it's hoping to give those customers another reason to sign up for a Penney credit card and the Reward program, said Therace Risch, Penney's chief information officer.

Apple Pay had a slow start a few years ago, as consumers weren't too interested in paying by smartphone yet, but now people are more mobile-focused. Penney joins a long list of retailers accepting Apple Pay, including Best Buy, Kohl's, Sprouts Farmers Market and Trader Joe's. Major holdouts are Wal-Mart and Target.

When customers add a payment card to Apple Pay, the actual card numbers aren't stored on the device or on Apple servers. Instead, a unique device account number is assigned, encrypted and stored in the secure element on the Apple device. Each transaction is authorized with a one-time dynamic security code.

https://www.dallasnews.com/business/retail/2017/07/24/jc-penney-started-accepting-apple-pay-nationwide

SWIFT has 22 global banks join its Blockchain Proof of Concept(PoC) initiative

07/25/17

SWIFT has announced news that 22 global banks recently joined its blockchain proof of concept (PoC) initiative, which is part of the company's global payments innovation (gpi) service aimed to "re-arm the correspondent banking system for a new age of technological disruption."

The PoC initiative was launched in January 2017 with six founding banks: ANZ, BNP Paribas, BNY Mellon, RBC Royal Bank and Wells Fargo. According to Finextra, it was designed to find out whether blockchain can be used by banks to improve the reconciliation of their international nostro accounts in real time. Currently, banks cannot monitor their account positions in real time due to lack of intraday reporting coverage.

"Cross-border payments are like a black box for us," said Martin Schlageter, head of treasury operations at Swiss healthcare conglomerate Roche. "We don't know when the funds will be credited, we don't know what fees will be charged and we also have problems with reconciliation."

SWIFT gpi delivers an improvement in the speed of cross-border transaction, as well as boosts overall customer experience by giving predictable settlement times and clear statuses. Key features of the service include a secure tracking database in the cloud, accessible via APIs and enhanced business rules.

"The ability to deliver enhanced remittance information alongside the payment will help customers make better decisions along the payment chain, while also creating better efficiency opportunities," said Tom Halpin, global head of Payments Product Management, HSBC Global Liquidity and Cash Management.

"The decision to make gpi available in the 'cloud' is also exciting, and we anticipate this will lead to the development of entirely new services that combine SWIFT gpi with capabilities provided by banks, clients and vendors. "

Membership is open to any supervised financial institution that agrees to comply with SWIFT's business rules, but non-bank organizations can also join the initiative. The company expects additional banks to join in the coming months, with the goal of all countries live by the end of 2017.

http://www.pymnts.com/blockchain/2017/22-banks-join-swifts-blockchain-proof-of-concept-initiative/

Mobile banking startup Varo Money has applied for a bank charter

07/26/17

Due to a challenging regulatory environment and high switching costs associated with getting consumers to change banks, few startups try to compete with the big incumbent financial institutions head-on.

But Varo Money, which provides a mobile-first banking product to consumers, is up to that challenge. In an effort to offer similar — but better — checking, savings and lending products to consumers, the company has applied for a national bank charter with the Office of the Comptroller of the Currency.

Varo Money was founded in 2015 by Colin Walsh, who spent 25 years working for incumbent financial institutions like American Express and Wells Fargo before deciding to launch a banking product for a new generation of consumers.

To get the company off the ground, Walsh raised $27 million from Warburg Pincus and spent the last two years creating a mobile-first competitor to existing checking accounts. Released last month, Varo's mobile app provides a new way of thinking about how consumers should manage their money.

Varo provides everything you'd want from a traditional checking account, including direct deposit, online bill pay and a debit card. But unlike traditional banks, Varo is built to be consumer-friendly, doing away overdraft fees, minimum balance fees and ATM fees that most financial institutions rely on.

That is not an entirely new idea — after all, banking products like Simple have launched with similar features. What sets Varo apart is how it connects with consumers' other bank and credit card accounts to provide a fuller picture of their financial lives.

Through its 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.

Varo Money launched their app and banking product last month through a partnership with The Bancorp Bank, which is the same banking partner that Simple used when it launched. By doing so, it is able to come to market with an FDIC-insured product to compete against the incumbent banks.

But the company has bigger ambitions, and hopes to become a bank itself. As a result, it has applied for a national bank charter through the OCC. In doing so, Varo is joining online lender SoFi in the vanguard of Silicon Valley startups hoping to get licensed so they can offer many of the same products as big financial institutions like Wells Fargo or Chase.

Last month, SoFi filed an application for an industrial bank charter in Utah that would enable it to move beyond student loan financing, mortgages and personal loans to offer online banking services. The application came a few months after the company bought online banking startup Zenbanx, which SoFi plans to use as the underlying tech stack of the new suite of products.

Both SoFi and Varo Money will face an uphill battle, as there haven't really been any new bank charters issued in the last decade. In Varo's case, it has to prove not only that it has the right financial and technical team in place but also that it is financed well enough to meet regulators' requirements. (SoFi, by contrast, has raised $1.9 billion in financing and claims to be profitable.)

"It's not a fait accompli," Walsh admitted. He noted that conversations with regulators began last year and that they've shown interest in what the company is doing. "They were much more receptive than I had anticipated," he said.

With the vision of becoming a national, mobile-first bank, it's a step the company knew it had to take. A lot has to happen in the meantime, however: Varo has to attract users to its existing product, it has to raise a bunch more money, and it has to hope (fingers crossed) that regulators are open to once again allowing new banks to be formed.

https://techcrunch.com/2017/07/25/varo-money-applies-for-bank-charter/

Italy's UniCredit reveals data attack involving 400,000 clients

07/26/17

Suspected hackers have accessed client data of Italy's biggest lender, UniCredit (CRDI.MI), in two attacks in the past 10 months and affected about 400,000 Italian customers, the most serious data breach ever reported by a major Italian lender.

No passwords were stolen in the attacks, which first occurred in September and October of 2016 and again in June and July of this year, but personal and banking details could have been accessed, UniCredit said in a statement.

The attacks were carried out through an external commercial partner, which UniCredit did not identify. Wednesday's statement also did not describe how the intruders accessed the data nor when the bank became aware of the first intrusion.

A source familiar with the matter said the bank had only uncovered the data breaches between Monday and Tuesday.

"The bank immediately adopted all necessary measures to prevent a repeat of such intrusions," the bank said, adding that it had notified law-enforcement authorities.

The head of UniCredit's information technology unit, Daniele Tonella, said none of the data accessed by the attackers allowed any financial transaction to be carried out.

"We don't know why this data was acquired," he told Reuters, adding that it also did not know who was behind the attacks.

Attacks on banks in recent years have become more sophisticated and resulted in mounting financial losses.

They have evolved beyond data breaches, in which personal information are stolen, to include denial-of-service attacks which have knocked out access to online banking services for up to several days and even intrusions into core banking systems.

Last November, attackers stole more than 2.5 million pounds ($3.25 million) from Tesco Bank in Britain's largest disclosed cyber heist.

UniCredit shares were down 0.9 percent at 16.87 euros in late morning trade.

https://www.reuters.com/article/us-cyber-unicredit-attack-idUSKBN1AB0QE

UK fintech funding jumps 37% led by Funding Circle, Zopa, Monzo

07/26/17

The United Kingdom attracted £432m ($564m) of new venture capital investment in the first six months of 2017 representing an uptick of 37 per cent compared to the same period in 2016, according to research from Innovate Finance.

Alternative lending, challenger banks and wealth management were the top three investment verticals for UK fintech investments with notably large cash raises from Atom Bank, Funding Circle and Monzo.

Of course the first half of 2016 was dominated in terms of news flow by the June 24th referendum on membership of the European Union. This was likely one of the causes of a substantial fall in new VC money into fintech compared to the same period in 2015. Despite this year’s uptick, the number is still below 2015’s level for H1, however.

The US attracted the largest amount of VC investment at $3.3bn with over 357 deals recorded in Innovate Finance's numbers. US online personal finance firm SoFi raised the largest round globally at $453m. The most active global investors were 500 Startups, Startupbootcamp and Y Combinator with 17 investments each.

http://www.altfi.com/article/3279_uk_fintech_funding_jumps_37_led_by_funding_circle_zopa_monzo

Payments – a fading experience

07/26/17

Despite the ever-growing number of payments service providers, the payment experience itself will inevitably fade away into history (more precisely, become a back-end operation). However convenient and user-friendly modern payments solutions developed by financial technology startups can be, the transactional part of every interaction is not the most reasonable target to work towards. In fact, the invisibility of a certain process can be the cornerstone of a seamless experience, contributing to the usage growth and expanded opportunities for businesses.

External trendsetters are working on fading the transactional part from interactions, providing an uninterrupted experience. “In a way, invisible payments can make payments a more integrated, intuitive part of the user experience,” suggests Chris Francis, Vice President of Market Development at WorldPay.

Emphasizing the role of outsiders in transforming the financial services industry, we encountered a few curious developments that have been assertively moving B2B, B2C & C2C interactions beyond the payment and the physical interactive interface overall, fading away transactional experiences to focus on the goal of interaction with a customer. More interestingly, neither financial institutions nor the FinTech startup community are the main trendsetters in this movement away from focusing on the payments stage of any exchange.

Payment is not the goal, neither is it a final stage of B2B, B2C, and C2C interactions

It’s not the payment itself that constitutes a successful interaction of any business with its clients; it’s the experience of the product/service that business offers. The payment is only a step toward connecting people with one another, and with brands, rather than a self-sufficient activity and value. So, where are we really with invisible payments and fading transactional experiences?

Shopping without the payment

Amazon is one of the companies that came razor-thin close to bringing the idea of a payment-less shopping experience into reality with its concept of Amazon Go store. The idea is to eliminate the whole part of standing in lines to make a payment as the payment experience itself is removed from the most payment-centered activity – shopping.

Amazon Go’s Just Walk Out Technology automatically detects when products are taken from or returned to the shelves and keeps track of them in a virtual cart. When the customer is done shopping, he/she can just leave the store. Shortly after, Amazon charges the customer’s Amazon account and sends a receipt.

Payment-less dining

Another payment-less experience has been introduced for a dining affair by Tao Cafe by Taobao. Guests can scan their smartphones at the door, grab what they need, and after they step out, the bill will be automatically sent to their smartphones. Tao Cafe was actually a pop-up at the Taobao Maker Festival, created to showcase the Alibaba Group's "cashier-less" retail experience.

As explained by Nylon, the cashier-less experience starts with the customer opening the Taobao app on his smartphone and using it to scan a QR code at the Tao Cafe entrance, which then generates an electronic pass to grant him entry into the store. He can pick up whatever he wants to purchase in the store; and to check out, all he has to do is walk through a payment corridor that automatically detects the items and deducts the cost from the customer's Alipay account.

As for the cafe portion, the edition continues; Alibaba has removed the need for counter staff by basically powering the whole ordering process with voice and facial recognition. Customers can order their food and drinks just by saying what they want; the technology will process the order and deducti money from customers' Alipay account automatically.

Smartphone will go away, dragging mobile payments along

Facebook and Apple are putting all their eggs in a basket that has nothing to do with mobile, previously considered to be the future of the financial services. Facebook is now betting its future on augmented reality, the nascent technology that promises to overlay virtual information onto the real world and eventually replace smartphones with something like a pair of glasses or even contact lenses.

Meanwhile, Apple, at the company's WWDC 2017, outlined an interesting trend that could bury smartphones in the next 10 years, making any mobile payment developments irrelevant.

https://letstalkpayments.com/payments-a-fading-experience/

Insurtechs are redefining claims expectations

07/26/17

Claims has often been called the "moment of truth" for insurers, especially in property and casualty lines. With few opportunities to interact with customers, a bad experience at the time of a claim can be a deal-breaker that sends customers looking for a new provider.

Incumbent insurers have spent nearly a decade focusing on customer experience in claims. However, the rising tide of insurtechs is pushing the envelope even further. Digital technology is being used to reconstruct accidents, find casualties before they are reported and pay out in close to real time.
"We see the claim lifecycle or the velocity through the claim process increasing with a lot of these new tech tools and automation," says Pat Gee, chief claims officer for Travelers. "There's been a lot more activity in this space over the past couple years."

Gee says that geospatial technology is one of the prime digital innovations impacting claims. It is advancing at a rapid rate, giving insurers a closer look at affected property than ever before.

One insurtech working in the geospatial space, Understory, is focusing on hail events. The company is building networks of sensors in major metropolitan areas where hail is likely, including Dallas, Houston, Denver, Kansas City and St. Louis. The sensors give insurers a ground-level view into where hail is most concentrated, increasing the likelihood of a claim and allowing them to deploy adjusters more efficiently, says Understory founder Alex Kubicek.

"Radar and satellite are looking above the ground, but what's happening in the sky doesn't translate to what's happening in the ground," Kubicek explains.

Understory's field team enters micro-leases with businesses, schools and other non-residential locations to install its solar-powered sensors. To illustrate the network's density, Kubicek says there are a total of 150 in the Dallas-Fort Worth area, with about 10,000 people within two miles of one.

"With our data, we know who has damage," Kubicek says. "We are enabling carriers to better understand that and proactively reach out after an event occurs."

Triggering payments

While Understory is looking to partner with incumbent insurers to improve their claims response, another insurtech plans to use some of the same concepts for a new type of coverage. Structural engineer Kate Stillwell started Jumpstart with the goal of helping Californians recover faster from earthquakes. She says that after several years working in state, that cities like Oakland had the potential to be "the next [post-Katrina] New Orleans" if a major quake ever hit the area. Jumpstart's parametric insurance product, which will launch this year, pays out up to $10,000 nearly immediately to customers whose properties are located in a quake zone.

The sum is enough to help customers find a place to stay and replace certain necessities while their home and/or renters insurance takes care of replacing their structure, Stillwell explains.

Jumpstart leans on the established network of seismic instruments around California to trigger events. However, Stillwell says, there are several metrics associated with quakes, and the company ran some simulations and customer surveys to decide which one would trigger a payment.

“One of the big questions was whether we make the trigger based on magnitude, or based on shaking intensity,” she says, “People understand magnitude and its part of the public vocabulary,” but it’s shaking intensity that tends to cause most damage.

Ultimately, Jumpstart will use shaking intensity as is measurement, which means pulling in more data than just seismic readouts. “There are all sort of interesting human-based sensors of an earthquake, like Twitter,” she says.

Automation hits the big time

Usage-based auto insurer Metromile has been working intensely over the past year or so to automate as much of the claims process as possible. The company announced several claims enhancements on the back end last December, and this week rolled out a more front-end oriented automation project, the AI claims bot Ava.

When a customer reports a claim through Metromile’s app, Ava accesses the driver’s Metromile Pulse device to reconstruct the accident and prompts the user with relevant questions to adjust the claim quickly. Ava requests details and pictures of damage, which the customer can take themselves. Simpler claims can result in payment within an hour, says Metromile CEO Dan Preston.

“From the customer perspective, it's helping you manage your claim and your insurance experience overall,” Preston says. “On the back end it's like a claims adjuster. It's going through every part of our tech stack and leveraging machine learning on the back end.”

Metromile’s claims department is actively “training” Ava to handle more processes. If the AI hits a snag, it kicks the claim to a human, who takes the correct action, which Ava can use the next time a similar situation comes up. In that way, the company is modeling the software after a human, Preston says.

“Right now she handles a lot of the very high frequency claims that we see a lot of,” he explains. “There are certain edge cases and things Ava hasn't seen yet that pass over to a human. Eventually we will be able to turn those into automated tasks.”

https://www.dig-in.com/news/insurtechs-are-redefining-claims-expectations

PayPal and Bank of America strike payments partnership

07/27/17

PayPal and Bank of America announced an expanded partnership on Thursday enabling BofA's consumers to use PayPal's payment services in-store, online and in-app, as well as seamlessly link their bank cards into PayPal.

As part of the agreement, BofA will gain access to PayPal 's tokenization services, which will allow bank customers to pay with their PayPal accounts to make in-store purchases at contactless-enabled merchants across MasterCard and Visa portfolios in the US.

In addition, BofA cardholders will be able to use their PayPal accounts in-store through the PayPal mobile wallet, which supports PayPal's forthcoming NFC mobile wallet experience and reflects Bank of America's open wallet strategy.

The deal also will make it easy for PayPal customers to link their BofA cards to their PayPal accounts.

Mark Monaco, Head of Enterprise Payments at Bank of America, commented: "We're always looking at ways we can deliver secure, convenient and fast payment solutions to meet our customers' needs," said. "Whether it is in-store, in-app or online, this partnership provides yet another option for the empowerment of customers."

Gary Marino, Chief Commercial Officer at PayPal, added: "At PayPal, we continue to partner with the most innovative and respected companies in technology, mobile and financial services. This partnership will give us the opportunity to work with Bank of America to reach and serve new customers, improve security capabilities, enhance our mobile leadership and offer our millions of joint customers more choice when paying online, in apps and in stores."

Paypal also announced strong quarterly results for the second quarter ending June 30, 2017. The results show 18% growth in quarterly revenues, to $3.136 billion. The GAAP operating margin was 13.7% and non-GAAP operating margin was 21%.

More than the revenue numbers, the figures concerning the number of Paypal accounts are even more impressive. The reports say that 6.5 million active customer accounts were added, and they had a total of 1.8 billion payment transactions, up 23%.

The total payment volume was $106 billion which is a rise of 23%. These numbers are especially strong considering the strong competition in the payment services industry in recent times.

Paypal has tried to stay abreast of the competition by strategic partnerships with major companies over the last quarter. This included a partnership with Baidu to allow Chinese customers to pay with the Baidu wallet and Paypal as well.

Also, like the deal with BofA above, Paypal has concluded an agreement with JPMorganChase, Samsung Pay, Google and Apple to encourage the use of Paypal wallets.

Paypal has also completed the acquisition of TIO networks during this quarter which will help it expand its network and scale of operations.

Paypal hopes that these acquisitions and partnerships will help it to stave off competition in an industry that is likely to continue to boom, for the next few years at least.

http://www.financemagnates.com/fintech/payments/paypal-bank-america-strike-payments-partnership/

TD Bank's tech strategy for becoming a bank of the future

07/27/17

It is common for Canadian developers to flock south to Silicon Valley, thinking it's the only place to find good jobs. Jeff Henderson, the chief information officer at TD Bank, wants to reverse the trend.

TD Bank aims to hire 1,000 technologists this year, including data scientists and artificial intelligence experts. It plans to recruit 65% of this fresh blood from places other than a bank, such as Silicon Valley and college campuses.

The effort is part of an overall goal Henderson has set to make sure TD has all the technology capabilities it needs to be a "bank of the future."

What is a bank of the future?

To Henderson, it's one that's set up to compete in a changing climate.

"What does a bank require out of its IT group to survive in the future? First and foremost, it needs agility, it needs speed to help our businesses adapt to the ever-changing environment, and it needs efficiency," Henderson said.

The future looks cloudy

One technology that Henderson believes will help the bank meet these seemingly contradictory objectives is cloud computing.

A big plus for the cloud, in his mind, is its consumption-based model, saving the bank from buying hardware and software with unused capacity during down times.

Cloud computing also provides a standard infrastructure that should help the bank more easily deploy automation and DevOps techniques, Henderson said.

The bank's "cloud journey" started two and a half years ago, when Henderson's team built an internal private cloud in its data center.

"Primarily because we wanted to get more experienced on the cloud, we're very much following a crawl, walk, run approach," he said.

The next step is using software-as-a-service applications such as Salesforce, nCino's Salesforce-based commercial origination software (which the bank is rolling out in the U.S.), and most recently, Office 365, Microsoft's cloud-delivered version of Office.

Compared to hosting Microsoft email in its data center, Office 365 is cheaper and updates are pushed out automatically, Henderson said.

He also pointed out that while email is "absolutely critical" to TD Bank's business, it's not a differentiator.

"It's not something I feel I have to run and manage as a competitive advantage for my business," Henderson said. "It fits squarely into an area where I want to standardize as much as possible."

Employees have said in surveys that they want more mobility, to be unchained from their desks. Office 365, with its ability to work on a range of devices, should help that happen. To further collaboration, the bank is redesigning its workspaces to be more open concept with less assigned seating, more team rooms and fewer individual workstations.

Henderson said he's looking at Microsoft's Teams collaboration software, but hasn't made a final decision about it yet. The bank is planning to roll out enterprise chat and enterprise video from Microsoft, too.

Henderson hopes the outcome of all these efforts will be a "legendary employee experience," he said.

Some bankers say they don't want to use office software in the cloud because they want to be able to access documents and work when they're on a flight or otherwise can't get online.

"There are workarounds for that," Henderson said, though he declined to elaborate.

As for the other common objection to using a public cloud — concern about the security and privacy of data stored in a cloud — Henderson said he's considering Microsoft's data leakage protection software for Office 365 as well as other options.

Innovating for the bank of the future

Another aspect to becoming a bank of the future is in-house innovation. TD Bank has labs in Communitech and in Cisco's Toronto innovation lab that it uses to design and test new products. It's also a partner of the Vector Institute, a collaboration between the University of Toronto, the government of Ontario and the government of Canada around artificial intelligence and machine learning.

TD Bank is in a test-and-learn phase with AI. The best use case for AI, in his view, is virtual assistants that better understand customers and provide personalized and "legendary" customer experience.

https://www.americanbanker.com/news/td-banks-tech-strategy-for-becoming-a-bank-of-the-future?utm_campaign=daily%20briefing-jul%2028%202017&utm_medium=email&utm_source=newsletter&eid=612c38991240c132b70c2ae0a0cb16f9&bxid=5935b7800ca98915238b4a0b

Wall Street needs you to borrow against your stock

07/27/17

Wall Street brokerages have been selling billions of dollars in loans backed by stocks and bonds, a trend that yields lucrative fees for the firms but poses risks for borrowers.

While banks don't always report these loans in the same way, these securities-backed loans total at least $100 billion for the biggest brokerages—up exponentially since the financial crisis—with several billions of dollars of additional debt held at smaller brokerages, banking analysts estimate.

Executives at Morgan Stanley earlier this month highlighted these loans to individuals as a big growth area and revenue driver, saying the loans helped expand the bank's overall wealth lending by about $3.5 billion, or 6%, in the second quarter. On Thursday, Goldman Sachs Group Inc. took a step toward expanding its securities-based lending business through a new partnership with Fidelity Investments.

The loans work a lot like margin loans. Brokerages lend against the value of an investor's portfolio. But unlike margin lending, customers don't use the debt to buy more securities. Brokerage executives say the loans can help clients avoid selling assets. The client can get cash without shifting their investments; they also avoid potentially locking in losses or incurring taxable gains, or missing out on future stock market gains. Clients are also able to borrow money at relatively low interest rates because the loans are secured.

"Securities based loans can be a valuable financial planning tool for appropriate clients," a Morgan Stanley spokesman said.

Critics worry that the surging stock market has made investors numb to the risks of borrowing against their investments—a scenario that has played out before. In the runup to the Great Depression, the dot.com bubble of 2000 and the financial crisis, investors binged on margin debt that proved perilous when stocks tumbled.

Investors using these loans now could face a similar fate if markets tank and the value of their collateral shrinks, prompting the bank to demand repayment. If the margin call isn't met, the securities backing the loans are sold and the borrower is responsible for any remaining balance.

For brokerages, these loans have become a reliable source of revenue in the years since the financial crisis, as firms have begun moving from a business model of charging commissions for trading to a system of fees based on assets under management. The loans themselves help brokers retain these assets because customers don't have to sell stocks and other securities when they need cash. These loans have also become a big factor in brokers' compensation.

Several Merrill Lynch brokers said they have asked longstanding clients to open a securities-backed line of credit to help them hit bonus hurdles, assuring that clients wouldn't need to use it or pay any fees for opening it. Merrill brokers receive continuing payments for getting clients to tap credit lines, and those loan balances contribute to year-end bonus calculations, people familiar with the matter said.

Brokerage executives have said the longer a client has one of these loans tied to their account, the more likely they are to use it.

“We were dramatically pushed to put these on all of our client accounts,” said Steven Dudash, a former Merrill Lynch broker who has been managing his own investment-advisory firm since 2014. “Whenever you’re product-pushing, it’s not in the client’s best interest.”

Merrill representatives say its brokers offer these loans to clients in a responsible manner, including disclosing the risks and fees.

“If people need the money, they should sell securities,” said Terrance Odean, a professor of finance at the Haas School of Business at the University of California, Berkeley. “It’s very risky to take a leveraged position in the market, and I don’t think people are thinking about it that way.”

Wells Fargo & Co. recently changed practices around how brokers pitch lending products. Starting this year, Wells Fargo stopped offering brokers bonuses tied to how many loans, including securities-backed debt, they opened for clients, executives of the bank have said.

As of the end of 2016, clients of Bank of America Corp.’s wealth unit, which includes Merrill Lynch and private bank U.S. Trust, had some $40 billion in such loans outstanding, up 140% from 2010. Morgan Stanley’s customers had $30 billion in these loans, more than double from 2013. UBS Group AG and Wells Fargo also have made billions of dollars in such loans, people familiar with those banks said.

Morgan Stanley’s finance chief, Jonathan Pruzan, said while discussing earnings this month that the bank expects more clients to take out loans in the months ahead. “That’s been a real key driver of our wealth business,” he said.

The growth of securities-backed loans has drawn the attention of regulators, who have questioned the brokerages’ marketing and sales efforts as well as the suitability of the loans.

Merrill opened more than 121,000 such loan accounts between 2010 and 2014 with more than $85 billion in total credit extended, according to a Financial Industry Regulatory Authority settlement order last year. In the matter, Finra alleged that Merrill didn’t fully explain the risks of securities-backed loans and used risky or concentrated investments as collateral.

Merrill settled its case without admitting or denying the allegations. Merrill reported its securities-lending oversight lapses to Finra initially and cooperated with the regulator’s inquiry, according to Merrill representatives. They said the firm has improved its procedures.

In another regulatory action, the Massachusetts securities watchdog last year accused Morgan Stanley of developing a sales program that encouraged brokers to pitch these loans regardless of whether clients needed them. Brokers involved in the incentive program were given scripts coaching them to offer securities-backed loans to clients who said they needed to pay taxes or cover expenses for a wedding or a graduation party, or if they mentioned “purchasing a luxury item like a car or yacht,” according to the regulator.

“It’s not healthy for the industry,” said William Galvin, Massachusetts’ top securities regulator, who has been investigating how firms motivate brokers to push these loans. Brokerages “should be more concerned about this,” he said, “but they’re in favor of competition and seeing who can get more loans.”

Morgan Stanley agreed to a $1 million settlement with the regulator in April without admitting or denying wrongdoing. A Morgan Stanley spokesman said Massachusetts found no evidence that any clients were harmed or that any of the loans were unsuitable or unauthorized.

“We have taken steps to strengthen and clarify our policies and controls around such initiatives,” he said.

https://www.wsj.com/article_email/wall-street-needs-you-to-borrow-against-your-stock-1501147801-lMyQjAxMTI3MjIwNzcyODczWj/?mg=prod/accounts-wsj

The battle between banks and disruptors is just beginning

07/27/17

Institutions want to get to the nirvana of new technologies, but they are stuck in a bowl of spaghetti of old systems. Some call these systems legacy, others call them handcuffs. Whatever the nickname, the antiquated core systems are challenging banks' ability to progress in a digital banking world — a big weakness that fintech startups believe they can exploit.

Hundreds of companies are offering thousands of services that are simple and easy for sending and receiving money. These companies include firms like Stripe, a six-year-old startup that is the preferred code for building online checkout services. Stripe, which is really easy to work with, is the chosen system for many other innovative companies including Kickstarter and Apple Pay and was valued at almost $10 billion by the end of 2016. Not bad for a six-year-old startup. Stripe has gained such a valuation because it has taken something that banks make difficult — setting up online payment services — and made it incredibly easy for customers.

There are companies that do similar things in lending, savings, investments and other specific areas of financial services based upon internet technologies. These companies have names like Zopa, SmartyPig, Nutmeg and eToro, and have fun branding and cool offices. They are very different from banks. They all share many of the same attributes, in terms of being young, aspirational, visionary and capable. This is why, collectively, they have seen investments from venture capital and other funds averaging $25 billion for the last four years, according to figures published by KPMG.

However, there is a possible impasse here. The most successful fintech firms are not replacing banks, or at least not yet. They are serving markets that were underserved. But none of them have replaced a bank. Rather, the companies are succeeding by addressing areas that banks find difficult to serve due to cost or risk, such as lending to small businesses.

Certainly, some startups appear interested in supplanting big banks. It is interesting to see almost 50 new banks launching recently in the U.K., many of which are fintech banks. Atom, Starling, Monzo and more young companies have bank licenses from the U.K. regulator and they have considerable funding. However, they are up against the biggest U.K. banks that have millions of customers, billions of funding and centuries of history. For new players, fighting the large banks is going to be a challenge and they will need a lot of funding to succeed. These challenges do not mean they will fail; however, they will need real differentiation and exceptional digital services to succeed. And even then, will customers switch? It will be interesting to find out.

But the one thing the new players have from the start is fresh technologies, no legacy and unconstrained thinking. Equally important, they have relatively no cost overhead, and therefore, they can compete more effectively on interest rates. After all, big banks have an awful lot of branches despite the rapid shift toward mobile services. It may not be attractive to shut down these branches in the minds of the media or their customers; however, if banks do not do so, they will fail to compete with these new digital startups, even with their millions of customers.

Therefore, the fight for the future of banking is going to be between a host of new digital players and a few large banks that find it hard to change, but are adapting as fast as they can. Interesting times, indeed.

https://www.americanbanker.com/opinion/the-battle-between-banks-and-disruptors-is-just-beginning?utm_campaign=daily%20briefing-jul%2028%202017&utm_medium=email&utm_source=newsletter&eid=612c38991240c132b70c2ae0a0cb16f9&bxid=5935b7800ca98915238b4a0b

Aon and OneBeacon help Uber drivers get coverage by the mile

07/27/17

As the sharing economy matures, new impacts on the insurance industry are felt with every new corner case that comes up. In ride-sharing specifically, questions about liability in case of an accident have been explored from the beginning of its ascendance.

But protecting a driver involved in the accident hasn't always been top-of-mind. With many drivers depending on the supplemental income from Uber, as well as putting their own cars at risk, Aon saw an opportunity to develop a unique product to plug that hole.

In late June, the broker, along with insurance partner OneBeacon and Uber itself launched a Driver Injury Protection product. The insurance coverage, which pays out weekly or health benefits while a driver recovers from an accident, is heavily integrated with the mobile-first Uber experience.

"The primary concern for any independent worker is how they get benefits they would get as an employee of a traditional company," says Randy Nornes, EVP of Aon Risk Solutions. "The people who work on a variable basis have a particular problem."

That's because insurers don't know exactly how much those drivers are working, or how much they're making, on average, in order to calculate a premium or benefits.

For Aon, the answer lay in Uber's driver data. Premiums are automatically deducted, at a rate of under four cents per on-trip mile, according to the Uber app. That ensure that the insurer gets a good handle on how much income replacement a driver might need (up to $500 per week in benefit is available). And, since the premium payment is integrated with the driver's earnings, the experience is like signing up for a traditional deduction.

"Usually one would buy an insurance product, and every month it's the same," Nornes says. "But here you have different usage every week. The benefits have to be variable to how much you're actually working, but the activity is captured because that's what they do. Getting the data is not the challenge."

In addition to data and payments, drivers can toggle the coverage on and off as they please right within the Uber app as well, Nornes notes. And this is just the beginning, he adds: The onset of big data and analytics capabilities, in conjunction with digital distribution, is opening up more opportunities for variable-length insurance products.

https://www.dig-in.com/news/aon-and-onebeacon-help-uber-drivers-get-coverage-by-the-mile

PayPal profits from Venmo and partnerships

07/27/17

PayPal's strategy to partner with large institutions and push its popular Venmo social transfer app are literally paying off, as the company raised its earnings outlook and reported earnings that beat analysts' expectations.

For the second quarter PayPal reported revenue of $3.14 billion, an 18% increase over the prior year and over expectations of $3.09 billion. It also earned $0.46 per share, over the estimate of $0.43 per share. The company raised its guidance for the rest of 2017 to a range of $1.80 to $1.84 per share, up from $1.74 per share to $1.79 per share.

PayPal's strategy since it separated from eBay in 2015 has been to innovate, expand the Venmo P-to-P service and to collaborate with banks and other large companies.

To that end, it has entered revenue-boosting deals with Visa and Mastercard, ending a previously cantankerous relationship and promising to share data and marketing. PayPal has also partnered with Citigroup, Apple and others to expand its reach and to extend the payment company's presence inside stores as PayPal builds its own mobile wallet app. And in just the past day, PayPal has entered partnerships with Bank of America and with Baidu, a Chinese digital service provider.

Additionally, volume at Venmo, a key unit for PayPal, has doubled in the past year, reaching $8 billion in payments and benefiting from deals to allow Venmo use at U.S. merchants that accept PayPal, and keeping the social payment app competitive with the rival bank-powered Zelle service. As part of its earnings report, PayPal reiterated a goal of getting consumers to use its service at least twice per week.

https://www.paymentssource.com/opinion/open-techs-needed-to-make-digital-payments-open-for-business

PayPal Subsidiary Braintree Powers 1 Billion Quarterly Transactions

07/27/17

Payments processing platform Braintree, a subsidiary of PayPal, announced Thursday (July 27) that it has reached the 10-digit milestone, processing more than 1 billion payment transactions per quarter.

Braintree helps businesses accept, process and split payments, all on the trusted foundation of a PayPal service. It powers mobile experiences, implements payment methods for its customers, facilitates access to PayPal and Venmo consumers and empowers merchants to sell at the consumer's first point of encounter via its contextual commerce offering.

"Merchants continue to be at the forefront of everything we do," the company said in a statement. "When Braintree was first established, we made a commitment to offer the most seamless, robust and secure experiences for our merchants around the world. This commitment remains the same today, and is further enabled by our place in the PayPal family."

Braintree's quarterly transaction count includes both PayPal transactions and gateway or other transactions that do not get tallied in its stated transaction count, the statement said.

Braintree's growth reflects the overall growth trajectory at PayPal, which has raised its 2017 sales and profits projections for the second time this year following a stronger-than-expected second quarter. Mobile payments, particularly via PayPal's Venmo platform, have been driving that growth, according to Financial Times.

PayPal, which spun off from eBay in 2015, now expects revenue between $12.775 billion and $12.875 billion this year. That's up from last quarter's projection of $12.520 billion to $12.720 billion – and way up from the year's initial prediction of $12.450 billion to $12.650 billion. Shares jumped almost 4 percent in after-market trading Tuesday.

"Over the years, we've had the pleasure of working with the most innovative companies worldwide, and, as a result, we have experienced explosive growth," Braintree said. "The opportunities we see are endless and, in fact, we think we're just getting started."

http://www.pymnts.com/news/payment-methods/2017/paypal-subsidiary-braintree-powered-1-billion-transactions-in-q2/

Cards overtake cash for consumer payments in Australia

07/27/17

The Reserve Bank's triennial Consumer Payments Survey (CPS) recorded information on around 17,000 day-to-day payments made by over 1500 participants during a week. Cards were the most frequently used means of payment in the 2016 survey, overtaking cash for the first time, driven by the growing popularity of contactless tap-and-go transactions.

In 2013, cash was used in 47% of payments, compared to 43% for cards. Three years on, this outcome has now flipped so that 52% of payments are now via card, compared to just 37% by cash.

Commenting on the results, Fintech Australia CEO Danielle Szetho, says: "This outcome isn't surprising, given the digitally savvy nature of Australian consumers and the fact that penetration of digital point-of-sale terminals and contactless card payments in Australia are among the highest in the world."

Despite these trends, cash still accounts for a material share of consumer payments and is "intensively used" by some segments of the population, says the RBA.

Fintech Australia is putting its faith in the incoming New Payments Platform to further drive out cash and lay the foundations for future innovation.

"We encourage the Reserve Bank of Australia to ensure that there are clear, transparent and affordable access protocols for fintechs to NPP infrastructure - unfortunately we haven't seen these as yet," says Szetho. "We also encourage the Australian Government to expedite its reforms to allow further customer access to their data, so that we can grow the number of innovative new fintech products and services, and provide consumers with more choice in how they pay for things."

https://www.finextra.com/newsarticle/30886/cards-overtake-cash-for-consumer-payments-in-australia?utm_medium=dailynewsletter&utm_source=2017-7-28

New technology to drive better prediction, pricing of Florida flood insurance

07/27/17

Actuarial experts, disaster modelers and third-party vendors are utilizing new technology to better predict and price flood risk – and Florida's private market has responded, with the number of companies writing flood insurance doubling from 10 to 20 firms in the past year. New technology is making structures more resilient than ever to floodwaters, allowing those insurance companies to more accurately price risk and compete with the federal government's National Flood Insurance Program (NFIP).

"NFIP and parent FEMA primarily use outdated maps to predict flood losses when, in fact, current catastrophe model technology is more granular with the ability to assess an individual home's risk rather than a region on a map," said Lisa Miller, a former Florida deputy insurance commissioner and host of The Florida Insurance Roundup podcast, which explores this topic. "Models help differentiate flood risk between a property owner in Zone X with mitigation and resiliency features versus another home in Zone X without resilient structural improvements. Consumers win when insurance premiums reflect a flood strong home versus one that isn't. As such, private insurance companies will enter the marketplace and compete for the business," said Miller.

New state legislation this spring is encouraging a robust private flood insurance market in Florida, while Congress works this summer to reform the beleaguered and costly NFIP, which has nearly two million Florida policyholders, almost 40 percent of all NFIP policies.

Miller discusses new consumer choices and benefits on the latest episode of The Florida Insurance Roundup with Mike Graham of Smart Vent Products, who has been working with modeling firms that are part of the new technology. During the podcast, he shares how flood vents, dry proofing and other mitigation options are lowering flood risks and with them, policy premiums by up to 80 percent.

FEMA estimates that for every $1 spent on pre-disaster mitigation, $4 is saved in insurance claims. Graham on this podcast shares his experience on some of the newest mitigation technologies and practices, including vents that allow flood waters to wash into – and back out of – structures, minimizing damage. A study of a two-square mile area in New Jersey that suffered $1.2 million in flood claims losses showed through modeling how pre-mitigation would have eliminated the structural damage and reduced the entire area's flood height by one inch. That one inch, while it sounds modest, equates to a $20,000 cost avoidance per claim according to FEMA.

http://www.claimsjournal.com/news/southeast/2017/07/27/279674.htm

After raising $70 million, Betterment expands financial advice to all users

07/27/17

A On the heels of announcing a fresh $70 million in funding led by Swedish investment firm Kinnevik AB, Betterment is launching a new messaging feature that will allow users to ask questions and get answers from its team of financial advisors.

With its new messaging product, Betterment is offering up personalized financial advice to a larger portion of its user base — that is, anyone with an account. Customers can send secure messages through the Betterment app to ask for financial advice and get a response within one business day from one of the company's experts.

The company is pitching this as a way to help its more than 280,000 customers make better financial decisions, based on their individual goals or needs. Since the questions CFPs answer normally come about due to changes in a person's life, whether it be a change in career, marriage, or the birth of a child, there's no one-size-fits-all answer to what they should be doing with their money.

Betterment had already begun offering financial advice from humans, through a so-called hybrid model of wealth management for its most well-off clients. While its base digital offered automated portfolio management and tax-efficient investing for an annual fee of 0.25 percent, premium users could pay a little more (0.40 percent) to make unlimited calls to its licensed financial experts.

At the same time, it's facing increasing pressure from more traditional wealth management companies that are rolling out hybrid models of their own. Companies like Vanguard and Charles Schwab are introducing robo-advisor or hybrid tools for clients, mostly as a way to reach a greater number of customers. Online lender SoFi also recently entered the wealth management space with a hybrid product.

By opening this messaging option up to all users, Betterment is hoping to provide a little bit more value than the competition as a way to lock in existing customers and entice new ones to sign up.

https://techcrunch.com/2017/07/26/betterment-financial-advice/?ncid=mobilenavtrend

Lendio surpasses $500 million in business loans originated through its online marketplace

07/27/17

Lendio, the nation's leading marketplace for small business loans, today announced that it has helped facilitate more than $500 million in financing to over 21,000 small businesses across the U.S. Lendio helps fuel the American Dream through its marketplace of over 75 small business lenders in all 50 states and parts of Canada. The growth milestone comes after a 141 percent increase in loans originated through the Lendio platform in the last fiscal year.

Small business lending indices show that small business borrowing is at its highest level in nearly a year. According to Thomson Reuters/PayNet, business owners are investing to meet customer demand, which is driving the economy. Data from Lendio's platform is telling a similar story, and it's not just businesses on the nation's coastlines that are thriving. A heat map of Lendio's top states for small business loans, based on loan volume, shows small business growth is booming in America's heartland, the southern states and beyond.

The average loan size among Lendio's small business customers is $26,873. The top five industries funded on Lendio's marketplace include construction, restaurants, retail, healthcare, and manufacturing. Lendio also helps small businesses get loans fast, with 70 percent of businesses getting funding within five days of submitting an application.

"Small businesses create the lion's share of economic growth and jobs in this country. Lendio is proud of the impact that $500 million in business loans is having on the American economy," said Brock Blake, CEO and founder of Lendio. "From restaurants and retail shops, to plumbers and landscapers, our team is passionate about providing the access to capital to help these businesses grow, recharge and thrive."

Lendio's growth milestone comes less than four years after it launched its marketplace. The first loan was in Q4 2013 to a seafood restaurant in Charleston, South Carolina, looking for equipment to help its business expand. The 500 millionth dollar was funded by one of Lendio's top lenders, American Express Merchant Financing®, and provided working capital to VaKA Burger Express in downtown Los Angeles. Voted the best burger in Southern California in 2014, VaKA's signature burger features grass-fed beef, house-made barbecue sauce, bacon jam and a beer-battered onion ring.

"This is the second time VaKA Burger has utilized Lendio for funding. I reached out on Thursday, and got funding by Monday night," said Esmeralda Y. Perez, owner of VaKA Burger. "Lendio works with lenders that look out for the best interest of your business by offering some of the best rates. This to me speaks volumes because it tells me they want to see small business owners succeed."

http://www.prnewswire.com/news-releases/lendio-surpasses-500-million-in-business-loans-originated-through-its-online-marketplace-300495101.html

Stonebriar's nonbank lender provides CRE financing utilizing SBA's 504 Loan Program

07/28/17

NonBank Lender, a Stonebriar Commercial Finance company, provided $501,759 of real estate purchase financing utilizing the SBA's 504 Loan Program.

NonBank Lender ("NBL") has completed the financing of a 20,100-square foot Industrial Warehouse facility in Redlands, California. The subject property will enable the borrower, a heating and airconditioning installation and service company, to meet growing demand.

NBL partnered with Plaza Bank and Pacific West CDC to fund the SBA 504 project. Curtis Valenzuela, NBL's President, stated, "We enjoy working with both Plaza Bank and Pacific West CDC as each lender shares our commitment to delivering for our clients. Strong coordination with all parties ensured that the borrower would experience a smooth closing and funding."

Jeremy Osaki, Pacific West CDC Vice President, added, "We are excited to be working with NBL in successfully funding another SBA 504 Loan. We and NBL speak the same language and share a common focus in the SBA 504 loan program."

With the capital resources now provided by Stonebriar, NBL has greater flexibility and surety of execution; evidenced by the fact that NBL served as the source for the 2nd Lien Interim Loan. According to Stonebriar CEO Dave Fate: "While removing size limitations to our funding ability is important our teams expertise in the SBA 504 Loan program truly sets us apart. Curtis' and his team are changing the way clients access financing."

Joel Matthews, NBL Loan Officer added, "Our focus on the SBA 504 Loan program allows us to understand and deliver both Interim Loan and Complete Financing options for Borrowers. This project is simply another example our ability to deliver on time a product that Borrowers want."

http://www.equipmentfa.com/news/7038/stonebriars-nonbank-lender-provides-cre-financing-utilizing-sbas-504-program

India offers the highest expected ROI on fintech projects – 29% versus the global average of 20%

07/28/17

The year 2017 is a pivotal year for the FinTech community around the world as external forces significantly affect the underlying technology and market trends. Despite courageous efforts, years of aggressive growth and infinite expansion of product/service variety within limited national borders, behemoths like IBM (IBM Q), Amazon (Amazon Go), Alibaba (Tao Cafe), Apple, Starbucks, and Alphabet, have such a tremendous influence of how the financial technology space will develop that in the years ahead, the startup community may look dramatically different.

As much as the ongoing change (emerging business models; funding strategies; acquisitions – ~50% of financial services firms around the world plan to acquire FinTech startups in the three to five years; partnerships – >95% of financial services incumbents are seeking to explore FinTech partnerships through collaboration; etc.) affects the startup community, there is another part of the ecosystem heavily dependent on market trends: venture capital firms, accelerators, incubators, or any other type of a FinTech investor. Investors and other vested parties are continuously scouting the world for the most promising project (through BBVA Open Talent, Citi T4I, ISME ACE, to name a few), and some markets hold a greater promise for ROI on FinTech investments than other.

FinTech India Trends Report 2017 unveiled at the end of July 2017, suggests that India offers the highest expected annual ROI on FinTech investments – 29% versus the global average of 20%. Moreover, even as a region, Asia offers a lower average ROI than India – 25%.

Meanwhile, North America stands at 23% and Latin America at 22% ROI. Interestingly, Europe is expected to offer the lowest ROI on FinTech investments – 14%.

Why India offers the highest expected ROI on FinTech projects

Partnerships with FinTech companies in India are expected to go up from 42% in 2016 to 95% this year on average. Among the reasons for high expectation from the Indian market are strong governmental support and certain funding trends.

Professionals outline six methods used by Indian financial institutions to work with FinTech startups:

- Supplementary Offerings (using new or existing subsidiaries or sub-brands to offer new services)
- Partnerships (develop solutions together with FinTech companies)
- Acquisitions (enhancing their value chain by onboarding proven FinTech companies)
- Incubating (running startup programs to incubate companies relevant to their market)
- Investing (setting up venture funds to invest in FinTech companies)
- Bridge-Makers (bridging the gap between innovation demand and supply by curating the best ventures to meet enterprise needs, deploy innovation at scale, and manage change)

The report on FinTech India trends suggests that strong, proactive policy level support from the government has been providing a much-needed boost to user adoption. Initiatives such as Pradhan Mantri Jan Dhan Yojana (PMJDY), IndiaStack, Aadhaar and the emergence of UPI provide a good foundation for FinTech companies to pervade 'last-mile' touchpoints and boost financial inclusion across the country.

Moreover, despite significant reductions in incoming global investments in the FinTech space, the India opportunity remains promising. Experts emphasize that India offers the largest unbanked or underbanked population, along with a strong technology and entrepreneurial ecosystem. The report suggests that while the global FinTech community saw a drop in funding from $14.6 billion in 2015 to $12 billion in 2016, FinTech investments in Asia increased to $5.4 billion in 2016, up 12.5% from $4.8 billion in 2015, driven mainly by China and India.

Estimates from a different study published earlier this year indicate a similar story – despite the decline, India appears to be a key focus of VC investors in Asia. The demonetization efforts of Q4 2016 resulted in an increase in transactions for both payments companies and mobile wallet providers.

https://letstalkpayments.com/india-offers-highest-expected-roi-on-fintech-projects/

Open tech's needed to make digital payments 'open for business'

07/28/17

One of the defining features of the fintech revolution is the need for immediacy. With the cross-industry transition towards offering a wider range of payment options, more companies are realizing omni-channel payment technologies provide a competitive edge.

Overall, fintech is seriously booming. PwC research recently found 82% of financial services companies expect to increase partnerships in the next five years. The same report also identified consumer banking and fund transfers/payments as the two areas most likely to see the biggest fintech disruption.

This is reflected in how providers integrate new payment options. They want a clean and quick integration within their existing system, and open application programming interfaces (APIs) provide the answer. There are now payment solutions with open APIs that allow both established organizations and start-ups to more easily evolve their existing business models. Organizations can springboard their services by offering the innovative payment tools they need to establish new ways of doing business.

These payment solutions are feature rich, with APIs allowing businesses in every market, such as health care providers, property management companies, credit unions, and accounts receivable providers to enable their customers to make payments online, quickly extend their own payment functionality and roll-out new features with minimal effort.

Simplified integration means businesses can adopt technology which provides them with a greater variety and flexibility of payment solutions – such as payment portals and gateways, negotiators, Interactive Voice Response systems (IVR) and virtual terminals. Open APIs allow these different payment services to be seamlessly integrated into an organization's existing platform so customers get the same user-experience across multiple payment channels. These solutions can be quickly adopted within existing payment systems, as well as easily customized for mobile enablement.

With new payment technology comes new compliance requirements. RegTech often carries the tagline 'the new FinTech', but it is more a progression of the FinTech industry – where regulation must keep pace with the immediacy created by new payment technologies. Deloitte defines RegTech as technology that seeks to provide "nimble, configurable, easy to integrate, reliable, secure and cost-effective regulatory solutions."

With financial institutions grappling with an alphabet soup of compliance requirements - PCI, SSAE-16, HIPAA to name a few – technology can provide guidance through difficult regulatory waters. There are many high-profile cases involving serious litigation for non-compliance, and payment data is some of the most sensitive information a company can hold on file.

Payment partners should be able to support customers in two key ways: With compliance education tools, knowledge and advice; and by offering payment technology integrations with 'built-in' compliance, i.e. technology designed to meet industry regulations by a certified partner.

Alongside new payment technology and regulatory concerns, organizations must also manage the risk of cyber-attacks. The financial services sector naturally finds itself under close attention from hackers and fraudsters looking for financial gain – new technology means new digital avenues. Organizations are beginning to realise this. According to PwC cyber security spending increased 67% from 2013 to 2017.

In the same PwC research, the proliferation of open source technology meant that nearly half (48%) of financial services firms surveyed take advantage of open source software to develop IT services and enhance infrastructure scalability. It was even more eye-opening, however, to find that 45% of those who use open source technologies said it has improved their cybersecurity posture.

When partnering with a payment technology provider, as with compliance certification, organizations need to know customer information is kept safe from falling into the wrong hands. Tokenization is one component of securing payment methods and customer account information when processing via a gateway. Simply put, Tokenization is the hashed storage of payment or account information. It is stored within a secure database outside a merchant's network for use in re-identifying recurring or return customer payments - without the need to represent the card or account information.

New technologies will only continue to grow in popularity with consumers, which will open up new revenue opportunities for organizations receiving payments on a one-off or recurring basis. By leveraging open APIs from compliance certified providers with a proven cybersecurity record, organizations can begin to reap the benefits of the FinTech revolution by integrating new services and payment options in a streamlined, but secure, way.

https://www.paymentssource.com/opinion/open-techs-needed-to-make-digital-payments-open-for-business

First Data launches gift card storefront for Walmart's UK retail chain ASDA

07/28/17

First Data, a global leader in commerce-enabling technology, announced in a press release that it will provide Walmart's U.K. retail chain, ASDA, with a full-service, B2B eCommerce gift card storefront.

The partnership will make it easier for ASDA, which operates more than 600 stores, to sell its gift cards to other businesses by leveraging First Data's integrated program management offerings. Program offerings include sales and marketing, customer service and support, security and fraud monitoring, fulfillment and analytics tracking.

"Corporate gift cards are extremely popular and represent a tremendous opportunity for businesses to reward their employees," said Dom Morea, senior vice president and head of gift solutions at First Data. "First Data's B2B eCommerce storefront solution allows companies to access this opportunity without using internal resources, giving our clients a simpler way to administer and manage corporate gift card programs."

First Data — which launched the retail industry's first third-party gift card program more than 20 years ago — will make it easier for other companies to buy ASDA gift cards. Purchasing representatives will go to an ASDA-branded website managed by First Data and, after logging in, can submit a card order ranging from one single card to hundreds of thousands of gift cards.

There is also the option to have purchased cards activated immediately or to hold them for later use.

"First Data has built an intuitive, comprehensive platform that enables companies to reward and incentivize their employees with ASDA gift cards," said Katie Walley, head of money and mobile at ASDA.

First Data's Gift Solutions business segment also includes Gyft, First Data's digital gift app, as well as closed-loop digital and plastic gift cards, prepaid fraud solutions, marketing advisory services and solutions, enterprise prepaid card processing services, card design, fulfillment and distribution.

http://www.pymnts.com/news/ecommerce/2017/first-data-launches-gift-card-storefront-for-asda/

Euroclear backs away from gold bullion blockchain project

07/28/17

Euroclear has walked away from a blockchain partnership with Paxos for the London gold bullion market that was set to go into live production later this year. Both Euroclear and Paxos confirmed the dissolution of the relationship to Reuters.

Christine Vanormelingen, global head of communications and investor relations at Euroclear, told the newswire: "Not all of the startup collaborations come to a conclusive end, that is part of how you develop an innovation strategy. We remain committed to offering a solution to the London bullion market."

Euroclear's about face on the project comes as something of a surprise, having completed a second live pilot of the system with 16 market participants settling over 10,000 contracts across the Bankchain in April.

Euroclear is not entirely giving up on blockchain technology; it is one of seven founding shareholders of Liquidshare, which is aiming to use distributed ledgers to make post-trade operations more efficient for small and medium enterprises in Europe.

Paxos told Reuters it will continue to pursue its platform without Euroclear, which it plans to launch by 2018.

https://www.finextra.com/newsarticle/30891/euroclear-backs-away-from-gold-bullion-blockchain-project?utm_medium=newsflash&utm_source=2017-7-28

Amazon has a secret health tech team called 1492 working on medical records, virtual doc visits

07/28/17

Amazon has started a secret skunkworks lab dedicated to opportunities in health care, including new areas such as electronic medical records and telemedicine. Amazon has dubbed this stealth team 1492, which appears to be a reference to the year Columbus first landed in the Americas.

The stealth team, which is headquartered in Seattle, is focused on both hardware and software projects, according to two people familiar. Amazon has become increasingly interested in exploring new business in healthcare. For example, Amazon has another unit exploring selling pharmaceuticals, CNBC reported in May.

The new team is currently looking at opportunities that involve pushing and pulling data from legacy electronic medical record systems. If successful, Amazon could make that information available to consumers and their doctors. It is also hoping to build a platform for telemedicine, which in turn could make it easier for people to have virtual consultations with doctors, one of the people said.

The group is also exploring health applications for existing Amazon hardware, including Echo and Dash Wand. Hospitals and doctor's offices have already dabbled in developing skills for Amazon's voice assistant Alexa, which presents a big opportunity for the e-commerce company.

It's not clear whether Amazon is building any new health devices, but sources didn't rule it out.

When this article was originally published, on July 26, Amazon was advertising a slew of roles for its "stealth" operation, which were searchable on the jobs site under the keyword "a1.492." Some job posts described the position as "The Amazon Grand Challenge a.k.a. 'Special Projects' team." The unit also had ads posted for a UX Design Manager for its "new vertical," as well as a machine learning director with experience in healthcare IT and analytics and a knowledge of electronic medical records.

Some members of the team listed their affiliation with a1.492 on LinkedIn. Those involved include two machine learning experts; a UX designer; and two strategic initiative leads that are running projects inside the group, Kristen Helton and Cameron Charles.

As of July 27, all references to a1.492 had been removed from Amazon's jobs site and from these LinkedIn profiles. Amazon did not respond to requests for comment.

1492 isn't the only team inside Amazon that is working in health and life sciences.

Its cloud operation, Amazon Web Services, has also hired a slew of health experts to beat out Microsoft and Google for contracts with large hospitals and pharmaceutical vendors. The company has also invested in a health startup called Grail as a very special kind of future customer for its cloud business.

Its Amazon business team is also grabbing opportunities in the $3 trillion sector. It has been selling medical supplies for several years, which poses a big threat to the U.S. distribution business, and is looking to build out a pharmacy business.

The company is attempting to better coordinate these efforts through a series of meetings with senior leaders across these groups that kicked off this year, according to one of the people.

The market opportunity is enormous: Former White House CTO Aneesh Chopra, who has been highly involved in efforts to digitize health operations but had no prior knowledge of the Amazon effort, told CNBC "anyone who aspires to help consumers navigate our health system and is digitally capable should find the market conditions ripe for entry."

Apple's health unit is also working with partners in the industry to aggregate medical information, CNBC previously reported. Google and Microsoft have stumbled in similar efforts, known as Google Health and HealthVault.

http://www.cnbc.com/2017/07/26/amazon-1492-secret-health-tech-project.html