Evolve
Capital Partners

Weekly News Update

Week Ending 9/29/17

SPECIALIZED INVESTMENT BANKERS AT THE INTERSECTION OF FINANCE AND TECHNOLOGY

Preface

Each week, Evolve Capital Partners compiles relevant news and press releases across the finance and technology sectors. We analyze publicly available information and source each article. We also release a weekly summary of M&A and financing transactions.

Evolve Capital Partners is a specialized investment bank focused on businesses serving industries at the intersection of finance and technology. We are a dedicated, creative, and fully independent investment bank that advises private and public companies on merger, divestiture and acquisition transactions, and capital raising through private placements. Founded in 2012, we are based in New York.

You can learn more about us at www.evolve-capital.com. We post past weekly transaction and news updates on our website, plus in-depth industry research reports.

To contact us, please email admin@evolve-capital.com or call (646) 688-2792.

Sectors we cover at the intersection of finance and technology include:

Bank Tech / Solutions	Healthcare Tech	Securities
BPO	Insurance	Alternate Lending / Specialty Finance
Financial Management Solutions	Payments	Data & Analytics / IoT

News Count

Sector	Number of News	% of Total
Bank Tech / Solutions	9	11%
BPO	4	5%
Financial Management Solutions	2	2%
Healthcare Tech	3	4%
Insurance	8	10%
Payments	23	30%
Securities	10	13%
Specialty Finance / Alternative Lending	6	8%
Data & Analytics / IoT	10	13%
Others	3	4%
Total	**78**	**100%**

BANK TECH / SOLUTIONS

Banca Generali and Saxo Bank enter online trading pact

Bank Tech / Solutions

9/22/17

Banca Generali and Saxo Bank announce they have reached an agreement to establish an exclusive partnership to offer online trading and digital services.

The objective is to offer clients, on an exclusive basis for the Italian market, access to an innovative platform for advanced trading, based on Saxo Bank's technology and managed by a newly established SIM owned by Banca Generali and Saxo Bank.

The new platform will enhance the offering available to Banca Generali financial advisors, allowing the access to tailor-made operations and to innovative solutions of dynamic hedging that can be offered to both private and corporate clients. This is a further confirmation of Banca Generali's strategic focus on private banking and its drive towards technological innovation.

Saxo Bank and Banca Generali aim to sign the main agreements regulating the partnership by 31 December 2017. The agreements will be in any case subject to the conditions precedent customary and appropriate to this type of transactions (including from a regulatory and authorization standpoint).

https://www.finextra.com/pressarticle/70816/banca-generali-and-saxo-bank-enter-online-trading-pact?utm_medium=dailynewsletter&utm_source=2017-9-25

BBVA uses big data to redraw city maps

Bank Tech / Solutions

9/26/17

The project developed by BBVA Data & Analytics analysed more than 413 million card transactions throughout the year to get an up-to-the-minute perspective on the dynamics taking place in the cities of Madrid, Barcelona and Mexico City. The analysis has led to the creation of new maps that redraw urban borders and identify the most touristic and residential areas or those where young people go shopping.

The results can be viewed via a new tool on an interactive display of the data - dubbed Urban Discovery - developed in collaboration with data mapping outfit Carto.

Juan Murillo, head of territorial analysis at BBVA & Analytics, says: “Data science allows us to better understand the dynamics in these cities, examine how citizens are using them according to their lifestyle, and describe each area’s specialisation, patterns and predominant activities."

In the first section, Urban Discovery shows how citizens - both residents and visitors - move around the city to make their purchases. After dividing cities into small hexagonal cells, the study analysed where consecutive purchases were made by the same customers within a three hour time period.

The second section redraws the urban map into six zones: center/downtown, affluent neighborhood, working-class neighborhood, business district, new development and places where consumer spending is associated with shopping centers.

“These tags are interesting because apart from classifying all the communities, the same criteria were applied to all three cities included in the study. This allows us to find areas with similar characteristics in Madrid, Barcelona and Mexico City,” adds Murillo.

Users are encouraged to play around with the data, add their own tags, and create their own personalised maps to better navigate the urban environment. For instance, they may use the tool to look for a neighborhood that’s similar to the one they currently live in if they are planning on moving from one city to the other, or to find the right area to open a business.

https://www.finextra.com/newsarticle/31111/bbva-uses-big-data-to-redraw-city-maps?utm_medium=dailynewsletter&utm_source=2017-9-27

R3 and 12 banks plan overhaul of open-account trade finance

Bank Tech / Solutions

9/26/17

R3, TradeIX and the participating banks - Bangkok Bank, Barclays, BBVA, Bladex, BNP Paribas, Commerzbank, CTBC Bank, ING, Intesa Sanpaolo, Shinhan Bank, Royal Bank of Scotland and Wells Fargo - are developing an end-to-end open account trade finance business network which will be powered by TradeIX and R3's Corda distributed ledger platform.

This initiative aims to provide a suite of trade specific APIs and technology tools, a rules engine, and an interoperable core infrastructure for trade data, contracts, and transactions, improving access to account trade across the global ecosystem of banks, buyers, suppliers, technology providers, insurers, and other parties, such as logistics companies.

David Rutter, CEO of R3, comments: "Existing trade finance infrastructure is in serious need of an upgrade, and this project is a big step towards the adoption of reliable, efficient and standardised processes for the entire sector."

The initial development phase involves creating standard trade finance smart contracts on a distributed ledger infrastructure with the objective of providing a single record for critical trade data including identities, purchase orders, invoices, shipping and logistics information, trade assets, financing activity, and credit risk. Following this phase, Rutter says R3 and TradeIX will engage the broader ecosystem, expanding services and onboarding additional members.

Marguerite Burghardt, global head of the trade competence center at BNP Paribas, says: "We see this initiative as complementary with other initiatives and trade platforms. Building smart contracts to capture the SCF business logic on DLT is an essential step that will significantly boost the trade finance ecosystem. This consortium with R3 provides an excellent opportunity to work on this collaboratively."

R3 also announced that the International Trade and Forfaiting Association (ITFA) is joining the R3 network and will be involved in this project and others.

https://www.finextra.com/newsarticle/31113/r3-and-12-banks-plan-overhaul-of-open-account-trade-finance?utm_medium=newsflash&utm_source=2017-9-26

The iphone X facial recognition tech to revolutionise credit underwriting

Bank Tech / Solutions

9/27/17

The tech community is abuzz with excitement and perhaps a little latent schadenfreude since Apple's last launch event where it revealed its most sophisticated smart phone yet.

Ahead of the launch of the new iphone X, facts were very thin on the ground, as you'd expect from the tech behemoth, but one key detail was expected: the facial recognition software that enables a whole host of new capabilities. Now it's live, more and more predictions are doing the rounds as to just how revolutionary this new technology could be owing to its place on the iphone platform.

Long the stuff of science fiction, the technology has come on leaps and bounds in recent years with a whole host of breakthroughs and venture capital investment to elevate it beyond simple functionality such as identification.

A rather chilling claim, for example, recently came from Stanford University's Michal Kosinski who found that faces contain much more information about sexual orientation "than can be perceived and interpreted by the human brain".

"Given a single facial image, a classifier could correctly distinguish between gay and heterosexual men in 81 per cent of cases, and in 74 per cent of cases for women. Human judges achieved much lower accuracy: 61 per cent for men and 54 per cent for women. The accuracy of the algorithm increased to 91 per cent and 83 per cent, respectively, given five facial images per person," he says in his latest paper on the subject.

Kosinski's used 'visual algorithms' garned by scanning 32,000 images with the big data hardware, with the power to interpret them, to reach this level of predictive power.

The researchers also said that companies and governments are increasingly using computer vision algorithms to detect people's other intimate traits.

In fact similar studies around the world have found predicative power using facial recognition tech and AI and could determine with a reasonable amount of accuracy whether someone is lying for example.

So could these breakthroughs mean lenders, particularly those with penchant for big data and tech one day - perhaps soon - utilise facial recognition to decide whether that person is credit-worthy? You can already access hundreds of lines of credit through a smartphone by typing in a few details, perhaps in the future this could simply be replaced by a scan of your face.

One of the hardest decisions lenders face with consumers is evaluating the 'truthfulness' of a credit application. Does the person, appear credit worthy whilst hiding debts such as those to a landlord, which might not appear as red flags on their searches.

Or perhaps are they are over-stating their income owing to their self-employment status or perhaps the stated reason for their loan may be different to its actual intended use. Perhaps other causal or factors or correlated assocations may too be predictive. Some of these implications could also tread very easily over ethical criteria.

Alternative lenders, including some of the largest in the P2P and marketplace lending industry already quite explicitly utilise the services of alternative credit bureaus such as AIRE – as well as the normal Experian and Equifax - which raised $5m in a Series A recently and has a partnership with Zopa among others but these do not currently - as far as we are aware - extend to visual algorithms.

A spokeswoman for Zopa told AltFi that it is currently not exploring the new technology within this usage but also noted "we're always exploring new technologies, but aren't planning to release anything related to facial recognition technology this year."

Steve Green, Funding Circle's Vice President of Product, also said that the firm had no active projects in this field but also hinted a warning about some of the more grey areas around data privacy.

"As a tech business, we are absolutely looking at ways to make it easier for our customers to transact with us, including face recognition, but only when we feel that it is a safe and secure method as is appropriate for an advanced financial tech business," he said.

If some of this or all of it seems like sci-fi, it is not and whilst these sorts of technologies tend to be overhyped in the short-term, they also tend to be underestimated in the long term. Just look at the iphone, literally.

http://www.altfi.com/article/3489_could_iphone_x_facial_recognition_tech_revolutionise_credit_underwriting

SCU launches AI service for customer queries

Bank Tech / Solutions

9/27/17

The new platform, called “Let’s Chat” (in its initial phase), is programmed to respond to general queries related to home loans, personal loans, credit cards and insurance products.

At a later phase, the full implementation of Let’s Chat will allow SCU to process an “entire” home loan application within the platform, from enquiry through to the application submission.

According to SCU, Let’s Chat has a conversational manner that “matches the tone and voice” (it doesn’t explain what this is, but let’s assume it’s professional) of SCU and adopts machine learning technologies to answer an array of queries.

SCU adds: “Most importantly, Let’s Chat is developed with the intelligence to prompt customer service staff when a human touch is required.”

SCU has been around for almost 55 years, has more than 49,000 customers and $865 million funds under management.

Epictenet is based in Sydney and was established in 2011. It was founded by Ritesh and Sonali Srivastava. Ritesh’s previous experience includes stints at Oracle and Temenos.

http://www.bankingtech.com/1006172/scu-launches-ai-service-for-customer-queries/?utm_source=rss&utm_medium=rss&utm_campaign=scu-launches-ai-service-for-customer-queries

HSBC launches Open Banking solution ahead of schedule

Bank Tech / Solutions

9/28/17

HSBC's Open Banking app is here, beating the official implementation of the scheme's second phase by several months.

The bank has launched a new "test and learn" mobile banking app named HSBC Beta, ahead of a full launch in early 2018. The app will give users access to a range of features that are designed to give them more control over their money.

Phase 2 of the Open Banking regime is set to be implemented in January 2018. Broadly speaking, it will allow consumers to take control of their transactional data as never before, while opening up that data to third parties, subject to the consent of the customer.

In a recent interview with AltFi, Paul Riseborough, CCO of Metro Bank, said that people will be more banked in the future, due primarily to the effects of Open Banking. He also said that traditional banks run the risk of being reduced to "dumb piping", playing a behind-the-scenes role.

HSBC is clearly mindful of that risk. HSBC Beta will allow customers to view all their accounts on one screen, irrespective of whether those accounts are held with HSBC. The app can aggregate accounts from up to 21 different banks, including the likes of Santander, Lloyds and Barclays. In addition to current account visualisation, customers will also be able to keep tabs on loans, mortgages and savings, so long as they are visible via online banking services.

Last year, HSBC trialled a new SmartSave app in the FCA Sandbox – a kind of regulatory incubator. SmartSave applied smart algorithms to identify when users could spend safely. The best bits of this app have now been incorporated into HSBC Beta, which has a broader range of features. These include spending analysis tools, such as categorisation and tags; a digital coach, which helps users to save and spend better; and savings goals.

"We want to provide customers with greater control and make their lives easier," said Becky Moffat. Head of personal banking and advance. "Through our Beta app we want to give our customers a complete and joined-up view of their financial life and make it easier for them to choose confidently, taking the hassle out of checking dozens of statements and manually calculating what's left."

HSBC is not the only global bank to have attempted to get out ahead of the Open Banking regime. Yolt, ING's Open Banking app, hit the app stores in June, and has been busy rolling out new features over the past few months.

"Lots of people ask us if a big bank like HSBC is relevant in today's competitive FinTech landscape," said Raman Bhatia, head of digital for HSBC in the UK and Europe. "What sets us apart is that we have millions of customers, which provides a unique insight into how we can continue to improve our digital banking offering."

http://www.altfi.com/article/3558_hsbc_launches_open_banking_solution_ahead_of_schedule

Starling Bank uses tech to woo customers and challenge incumbents

Bank Tech / Solutions

9/28/17

The smartphone revolution long ago forced most, if not all, banks and other financial institutions (FIs) to begin offering mobile financial management solutions.

Now, however, consumer expectations have shifted once again, and modern banking customers are increasingly telling their banks that simply offering a mobile app isn't enough. If FIs want to connect with modern consumers, smartphone solutions also need to feature the latest innovations and slick user experiences.

The September edition of the PYMNTS Digital Banking Tracker™ looks at the rise of mobile tools and services in the digital banking space, including features built on artificial intelligence (AI) and Faster Payments technology.

Around the digital banking world

Just as smartphone manufacturers have integrated artificial intelligence into their devices — often in the form of virtual assistants like Apple's Siri and Amazon's Alexa — banking customers want and expect their FIs to use this exciting new voice technology to help them manage their finances.

Over the course of the past month, several providers seemed to answer that call, debuting new services and features that utilize and integrate AI technology.

For instance, a pair of traditional banks are turning to smartphone-based AI to give their solutions a dose of intelligence. Barclay's unveiled a new feature allowing customers to make payments simply by asking Apple's voice assistant to do it for them, using the Siri integration for payments app Apple previously introduced with the iOS 10. And, similarly, RBC became the first bank in Canada to enable users to make a payment via the AI-powered assistant.

Meanwhile, Amazon and U.S. Bank collaborated to teach Alexa new skills, including enabling customers to complete tasks by speaking to the eCommerce giant's voice-activated digital assistant. The pair also said they would continue to cooperate on other capabilities for Alexa in the future.

For the latest notable Digital Banking headlines and trends, check out the Tracker's News and Trends section.

Standing out in the crowded digital banking field

With so many mobile money management and banking options vying for attention in the digital banking space, it's tough for a startup to stand out from the crowd.

For U.K.-based startup Starling Bank, distinguishing itself from other banking and FI mobile apps crowding app stores has often been a matter of being first to the finish line. In a recent interview, Julian Sawyer, the company's COO, told PYMNTS the bank has been relying on a technology-rich background since it was founded last year in order to debut new digital features and services ahead of its competition.

"It goes back to what Starling is," Sawyer said. "We're a digital technology company that happens to be doing banking and payments, so we want to have technology leading the way for us. At the end of the day, we're good at payments and we're good at technology, and we want to combine those efforts so we can kind of lead the pack."

https://www.pymnts.com/news/digital-banking/2017/starling-bank-and-mobile-digital-banking-technology-innovation/

Quovo announces use of account aggregation to autoverify micro-deposits

Bank Tech / Solutions

9/29/17

Quovo, a data platform that provides connectivity to financial accounts, today announced the launch of Autoverified Micro-deposits (AVMs), a new offering that enables financial services providers to streamline client onboarding and ACH payments and transfers. The patent-pending product leverages Quovo's industry-leading account aggregation API to send and verify the receipt of micro-deposits into accounts connected to the Quovo platform.

In bypassing the onerous requirement for users to come back and manually enter micro-deposit amounts, Quovo AVMs enable timely and seamless verification of account ownership for payments and transfers.

The traditional micro-deposit process is not particularly user-friendly, with the National Automated Clearing House Association (NACHA) estimating that at least 30% of customers drop off prior to confirming the micro-deposits.

"In terms of institutional coverage and security, micro-deposits remain an effective method of verifying account ownership, a crucial first step in ACH transactions and client onboarding," said Lowell Putnam, CEO & Co-founder of Quovo. "By coupling account aggregation with micro-deposits, and removing the need for customer action to confirm the deposit amounts, we have developed a hassle-free verification experience that will reduce onboarding drop-offs and enable customers to start transacting faster."

Autoverified Micro-deposits are an enhancement to Quovo's credentials-based Instant Authentication, which uses the company's Authentication API to immediately verify account ownership by pulling relevant account identifying data. With Quovo Instant Authentication and now AVMs, organizations can expand authentication coverage to thousands of financial institutions, even those which may not immediately support instant account verification.

https://letstalkpayments.com/quovo-announces-account-aggregation-autoverify-micro-deposits/

Amazon, PayPal increasing interest in engaging with federal banking regulators

Bank Tech / Solutions

9/29/17

Technology giants like Google, Amazon, Facebook and Apple are showing an increasing interest in engaging with federal banking regulators, a move that underscores Silicon Valley's growing involvement in the financial services arena.

In recent years, such firms have formed a lobbying group, Financial Innovation Now, that is staking out their view on various hot-button topics. But some firms are also meeting individually with government agencies.

For example, Amazon lobbyists met with the Office of the Comptroller of the Currency starting in the second quarter of 2016, and again this year to discuss "issues related to mobile payments and payment processing, financial innovation, and technology," according to publicly available lobbying disclosures.

PayPal, meanwhile, met with OCC officials in the second, third and fourth quarters of last year to discuss "mobile payment innovation" issues related to underserved customers and remittances and money transfers, according to its disclosures.

Amazon, PayPal and the OCC all declined to comment on the subject of their meetings.

Though sources suggested that the companies were not there to necessarily talk about the OCC's fintech charter, but rather more immediate issues in the payment and financial world, observers said there is little doubt that technology firms will eventually move in that direction.

"People are kicking the tires," said Lawrence Kaplan, a bank lawyer of counsel at Paul Hastings. "People are asking questions: What does this entail? Can you get us up to speed if we want to pull the trigger?"

When the OCC first announced its so-called responsible innovation initiative, which culminated in the creation of a special-purpose national charter designed for fintech firms, it met with large swaths of the financial industry — including up-and-coming fintech companies primarily engaged in the financial space, and large technology companies.

Large technology firms are "really interested in the intermediation piece, where you have access to all that data," said Paul Nash, the former senior deputy comptroller and chief of staff under Comptroller Thomas Curry, who began discussing the possibility of a fintech charter early last year. "All of them are thinking about it."

At the very least, their engagement with regulators shows how much more involved the tech giants are becoming in financial services. The major technology firms are already engaged in processing payments in one way or another. And they have increasingly begun offering various forms of lending, including through Apple's installment loans for iPhone purchases and Amazon's small-business lending, which nearly doubled in volume last year.

Ultimately, a bank charter could be a timely investment — one that some may already be evaluating, experts said.

"There's been lots of interest by financial services firms in technology companies and fintech companies," said Kevin Petrasic, a partner at White & Case. "Some tech firms are now looking in the other direction."

A bank charter could offer technology companies a long list of advantages over their competitors. For one, it would give them access to the federal payments system, reducing their need for bank partnerships, giving them more ownership over their data and minimizing interchange fees.

It would also allow them to directly issue credit cards, prepaid and debit cards. And it would give them the option of expanding into various types of lending while operating under a single regulatory regime, avoiding state-by-state usury rates and licensing requirements.

If tech firms do move directly into banking, they could capitalize on their direct relationship with millions of customers, and immense data sets that could help them build sophisticated financial models.

"It's safe to say that if you're processing money right now and you have a big, captive consumer base, transforming into a full-service national bank may be a desirable thing for some," said Pratin Vallabhaneni, an associate at AKPS.

That is a strategy already adopted by Square, a payments processor that is seeking an industrial loan company charter in Utah to expand its small-business lending. The company has developed sophisticated origination models based on accumulated data from more than 2 million small businesses for which it processes payments.

Of course, there are also many reasons technology firms may want to stay away from a banking charter. For one, separation of banking and commerce remains a significant legal and philosophical obstacle.

The principle is deeply ensconced in banking law, and challenging it would be a difficult endeavor that could require congressional action.

Asked if a company like Amazon should be allowed to get a bank charter, former Federal Deposit Insurance Corp. Chairman William Isaac, who spoke Monday at an online lending conference about the need to welcome new players into the banking system, hesitated.

“It's a tough decision that we are going to have to make one of these days,” Isaac said. But it “could have a profound effect on the structure of the financial industry in the United States.”

But the decision could come earlier than expected. Commercial companies already have access to a number of loopholes to these restrictions, including industrial loan companies, which have been sought out by the online lender Social Finance and by Square, as well as credit card banks and other types of specialized charters.

Even the OCC’s fintech charter could qualify as one of those exceptions. On Thursday, acting Comptroller of the Currency Keith Noreika asserted that companies that obtained the charter would not be subject to Federal Reserve oversight under the Bank Holding Company Act, and would therefore be able to engage in both financial and commercial activities under the same roof.

An institution with a fintech charter “wouldn’t be a bank for purposes of the Bank Holding Company Act,” Noreika said at a fintech conference organized by the Federal Reserve Bank of Philadelphia, contradicting the position taken by his predecessor Thomas Curry, who spearheaded the program. “It wouldn’t be subject to those affiliation restrictions.”

But technology companies know that any open attempt to expand into the financial industry would be highly controversial. When Walmart applied for an industrial bank charter in 2005, a coalition of labor unions, community banks and progressives joined in opposition, and the company ultimately pulled out.

And today, as consumers grow increasingly concerned about their privacy rights and technology firms’ expansion into more industries, an out-and-out move into banking could be a tough sell.

“There's a growing backlash against the market power of the large technology companies,” said Todd Baker, a senior fellow at the Harvard Kennedy School and managing principal at Broadmoor Consulting. “They are being very careful about what they do so they don't inflame concerns further.”

Still, technology has made the line between finance and commerce blurrier than ever and Silicon Valley firms would have the resources to shake things up in Washington, if they wanted to.

“Very innovative companies have a natural inclination to try to pull the model apart and pull it back together and see if they can do it better,” Petrasic said. “I don’t think those are the types of folks to sit around and wait to see what happens. They're having these conversations now.”

Whether or not technology companies do end up transforming into a bank, they will certainly occupy more of traditional financial institutions' territory.

They are already urging regulators to create a requirement for banks to open up access to their financial data through an Application Programming Interface. This would essentially make the connection to bank transactions instantaneous, allowing technology companies to capture more of the consumer-facing business.

"If that principle goes into effect, it will be much less necessary for them to have a [bank] charter," said Baker, "because they will be able to be the front end for consumers, and essentially force the banks into more of a public utility role."

https://www.paymentssource.com/news/why-are-amazon-paypal-meeting-with-bank-regulators

BPO

Kyriba enters strategic alliance with GlobalTrade Corporation

BPO

9/19/17

Kyriba, the leading provider of cloud treasury and financial management solutions, and GlobalTrade Corporation (GTC), the leading multi-bank trade finance platform provider, announced today that they have entered into a strategic alliance. GTC and Kyriba will join forces to bring together trade finance and treasury management solutions to empower global finance leaders to better manage high volume cash and trade operations.

The comprehensive treasury solution resulting from the strategic alliance will increase visibility, improve straight through processing for payment instruments used in international trade, and optimize cash forecasting, payments management and supply chain finance for corporate treasury and finance leaders.

“Kyriba’s market leading treasury and financial management solutions combined with GTC’s ease of use and flexibility in managing trade flows in a multibank environment will help global financial executives manage the complexities of international trade,” said Jacob Katsman, CEO at GlobalTrade Corporation.

“GTC’s leading trade finance solution enables organizations world-wide to track and manage letters of credit, bank guarantees and documentary collections. With the added value of Kyriba’s treasury management solution, clients will have powerful technology to better manage cash and trade,” said Jean-Luc Robert, Chairman and CEO at Kyriba. “Kyriba’s treasury and financial management solutions automate labor intensive processes and protect against regulatory and fraud risk. The strategic alliance with GTC will empower CFOs with critical decision support so they can optimize their opportunities for growth.”

http://www.businesswire.com/news/home/20170919006727/en/Kyriba-Enters-Strategic-Alliance-GlobalTrade-Corporation

Hills Partners with Cognizant to drive digital transformation

BPO

9/20/17

Hills Limited announced that it has embarked on a digital transformation programme in partnership with Cognizant, a global professional services leader, to revitalise the company's e-commerce capabilities and improve core business processes, customer engagement, and operational efficiencies.

Hills is focused on the distribution of technologies that 'connect, entertain and secure people's lives'. With a strong presence in security, audio-visual, communications and health markets, Hills has positioned itself as a 'one-stop shop' for integrated building technology solutions, targeting industry verticals such as health, education, banking, and government infrastructure.

Cognizant will leverage its digital strategy, design, and technology capabilities to develop an e-commerce platform that will provide the customers of Hills with 24x7 real-time inventory and self-service capabilities, including customer statements, invoices, pricing, online payments, and delivery information.

Cognizant will implement a managed service model to enable Hills to improve operational agility and lower costs, while re-deploying savings to fund investments in innovation for growth. Hills believes it will allow staff to be more engaged with customers and vendors, and create a stronger platform to promote vendor products.

"The digital transformation initiative is integral to our 'back to growth' strategy," said David Lenz, Chief Executive Officer at Hills. "The digital experience is critical in our endeavour to transform Hills from a product-centric to a customer-centric company. It's an enterprise-wide transformation that will see Hills exit third-party supply chain arrangements early next year, to take control of our own supply chain – a decision key to the performance of the business.

"The transformation is technology-enabled but it's customer focused. We're improving warehousing and dispatch processes to create a better buying experience, tailored specifically to the B2B market. Cognizant's expertise in systems, technology and business operations will help us create world-class capabilities to better compete in today's digital economy. Customers will see improvements in our level of service, our product range and our engagement in the market," Lenz added.

"Winning in the digital economy requires that business leaders use the latest technologies to improve productivity, consumer experiences, business processes, and core IT infrastructure," said Dr. John Burgin, Head of Australia and New Zealand at Cognizant. "We improve consumer experiences with solutions that integrate human behavior insights, digital strategy, design services, analytics, IoT services, cloud applications, and interactive content. That — coupled with process expertise, technology modernization, and as-a-service business model — will allow

us to enhance brand differentiation for Hills. We are pleased to be chosen by Hills to help them on their journey to provide even better technology solutions to schools, hospitals, homes and businesses."

The planned go-live date for Hills' e-commerce site is early 2018.

http://www.prnewswire.com/news-releases/hills-partners-with-cognizant-to-drive-digital-transformation-300522927.html

79% of AI leaders expect employees to work comfortably with robots by 2020

BPO

9/20/17

Some 79% of executives at global companies currently leading in artificial intelligence (AI) implementations expect that their employees will work comfortably with robots by 2020, according to a new study from Genpact, released Wednesday. However, a significantly smaller portion of businesses are providing adequate training and reskilling to address this coming tech disruption, the study found.

About 82% of the 300 senior executives surveyed reported plans to implement AI-related technologies in the next three years. But even in these early days of enterprise adoption, large gaps in performance exist between AI leaders, who report business gains from the tech, and laggards, who do not, the report found.

"CxOs often struggle with how to achieve strong business impact from AI. The survey findings underscore what we see with our clients daily - success won't come simply from technology alone," said N.V. Tyagarajan, president and CEO of Genpact, in a press release. "Companies must train their workforce - at all levels - and encourage the right corporate culture."

Despite reports about workers fearing that robots will steal their jobs, the C-suite is actually the most resistant to implementing the technology, the report found: 32% of executive respondents said that senior management was the group that most strongly resists AI, compared to 13% who said middle management, and 5% who said entry-level workers.

The top three barriers to AI adoption in the enterprise are information security concerns, lack of clarity about where to apply AI most effectively, and siloes within the organization, especially between IT and other areas, the report stated.

Genpact found that AI leaders take several steps to foster a culture that embraces the technology that laggards do not. For example, 71% of leaders allocate resources and funding toward AI-related technologies, compared to just 9% of laggards. More than half of leaders allow a training and development culture to learn new skills, compared to 15% of laggards. And nearly 60% of leaders report that their middle managers "think out of the box" and encourage innovation, while only 14% of laggards said the same.

AI leaders also reported a strong focus on data and process: Leaders were seven times more likely to have large amounts of customer data they can easily share across departments, and also more likely to have processes and systems that are well-documented with standard operational procedures.

"Process design and talent are keys to success with AI," said Sanjay Srivastava, chief digital officer of Genpact, in the release. "One provides the catalyst for extracting the value from AI technologies; the other provides the amplifier to drive it at scale for the enterprise. Without one or the other, the chemistry of AI success just doesn't work."

The benefits of AI for leaders are tangible: One-third of these executives cited cost savings, while more than 40% said AI improves the customer experience. Leaders were also nearly twice as likely to see increased revenues from implementing AI, the report found.

"Collaboration between humans and machines has the power to improve customer experiences, grow revenue, and create new jobs - but only if senior management has the vision to proactively prepare and embrace change," Tyagarajan said in the release.

http://www.techrepublic.com/article/79-of-ai-leaders-expect-employees-to-work-comfortably-with-robots-by-2020/

Convergys to close Lubbock location in 2018

BPO

9/27/17

Convergys will close its Lubbock location in February.

The call center's office building at 3701 W. Loop 289 was put on the market for sale or lease earlier this month. The 68,134-square-foot building currently houses 400 employees.

In June 2016, Convergys was tied for the 18th-largest employer in Lubbock, with 600 employees at the time, according to the Lubbock Economic Development Alliance.

Brooke Beiting, a media relations specialist for Convergys, wrote in an email that one of two companies that currently outsources customer relations to the Lubbock location will end its work from the site in November.

She stated the second client handles predominantly seasonal health care work, which ends in January.

"With our lease expiring in February, Convergys has made the difficult decision to exit the Lubbock market," Beiting wrote in an email.

The work previously done at the location will be consolidated and reassigned to other Convergys locations in the U.S.

Employees have been notified of the closure. Beiting said the company offers work-from-home positions that Lubbock employees have been encouraged to apply for.

http://lubbockonline.com/business/news/local-news/2017-09-27/convergys-close-lubbock-location-2018

FINANCIAL MANAGEMENT SOLUTIONS

Zenefits tries a rebrand and hands-off insurance brokerage

Financial Management Solutions

9/21/17

Zenefits co-founder Parker Conrad was shown the door in February last year, paving the way for then-COO David Sacks to take over the company and try to turn it around. After about a year of working on that, Sacks stepped back and brought in Jay Fulcher as its new CEO, the former CEO of Ooyala and Agile Software.

Since then, Fulcher has been taking a heat test on the company and the brand, trying to re-orient it into something that's seen as compliant and business-friendly — and away from the chaotic culture that it had under Conrad. After taking a deep look into the guts of the company, Fulcher and the company have come out today with two big announcements: first, the name isn't going anywhere while the brand gets a makeover; and second, that it's getting out of the insurance brokerage business and leaving that up to new partners. By doing that, Zenefits hopes to become an all-in-one HR tool for small businesses while leaving insurance brokerage deals to partners.

"We realized that digital brokerage in an online fashion and not in person is somewhat resonant with really small companies, but as you begin to go beyond that the digital brokerage value prop is not nearly as useful as having local, embedded brokers," Fulcher said. "They can offer the consulting and expertise to walk them through a lot of complexity. At the end of the day, I think all the meetings we're having, we were trying to wrestle with how do we [ramp up] a product we know is ready for prime time. One of the best ways to do that is to partner with firms that have the infrastructure around the country."

Initially, Zenefits will partner with OneDigital, an employee benefits company, as it starts to expand to partner with more regional and local brokers that have the expertise for various companies' needs. Part of the dig against startups like Zenefits is often that as companies scale, they need to switch over to services that have the experience and prolific toolset needed to operate. Zenefits now hopes it can try to get the best of both worlds.

Fulcher says that this isn't a play to make Zenefits a more diluted platform (or to go more "horizontal," so to speak). Instead, Zenefits hopes to increase its addressable market — one that might graduate beyond the products that it offers as they look to those embedded, local brokers to handle the increasing complexity of insurance. By doing so, Zenefits is hoping to remove the sort of barrier for those companies that wanted to grow beyond its brokerage while staying on the service. "Our focus is on being a SaaS company, and not a broker," he said.

Zenefits went to its customers, focus groups, analysts and other groups to assess the kind of damage that had been done to the Zenefits brand. Fulcher said he was surprised that the brand was, indeed, not completely tarnished and more than half the market had a positive impression of the company. As a result, the company looked more to refresh the narrative and hold on to

the name. That includes not only the kind of mechanical changes happening at the brokerage level but the actual nitty-gritty bits down to the logo of the company. Zenefits also said it is launching a new way to provide integration with third-party payroll tools.

Since Sacks took over, Zenefits has been looking more and more to focus on core parts of its platform while it opens further up to partners to handle the rest of the suite of tools employers need. In that sense, this seems like another step in that direction as Zenefits looks more and more to be the kind of day-in-day-out tool for employees and HR managers. While that means Zenefits may increasingly cede parts of its turf to partners that may eventually become competitors one day, it means that it could also potentially get to markets that it wouldn't be able to access faster.

"It's still very early days in the SMB market, and it's somewhat early days in my program to get the company back to very high growth momentum," Fulcher. " We're maybe 30% of the way there is the way I'd describe it, we're not confused about our product and we have a new business model that's really exciting. I have completely rebuilt and reset listed the leadership team. People are excited about what we're doing, they're excited about the refreshed brand, they love the problem. The market we're focused on is the backbone of the US economy. The noble purpose here isn't lost on anyone and we have a very specific execution plan that we're in the middle of working on."

https://techcrunch.com/2017/09/21/zenefits-tries-a-rebrand-and-hands-off-insurance-brokerage/

Hazeltree teams with BNY Mellon for cash management solution

Financial Management Solutions

9/28/17

Integrated treasury management specialist Hazeltree has teamed with BNY Mellon to deliver an independent platform that streamlines cash management for buy-side and corporate firms.

The initiative delivers BNY Mellon's suite of cash, treasury and custody services through Hazeltree's advanced treasury management technology, according to a joint statement. Under the relationship, BNY Mellon clients will enjoy full transparency across portfolios, as well as optimization of cash investment and streamlined FX hedging.

In a collateral management study released in June, BNY Mellon found that over 60% of firms are developing enterprise-level functions to optimize the sourcing of collateral, funding and liquidity, the statement added. The new platform arrangement addresses this industry need.

"Many firms are missing opportunities to optimize their cash usage due to manual and incomplete processes," said Sameer Shalaby, President and CEO of Hazeltree. "Our new platform increases transparency into their holdings, minimizes frictional costs and reduces operational risk."

The initiative will be rolled out in phases to select BNY Mellon clients that will be provided access to both the Hazeltree technology platform and the existing BNY Mellon infrastructure.

BNY Mellon provides investment management and investment services in 35 countries and more than 100 markets, with $31.1 trillion in assets under custody and/or administration and $1.8 trillion in AUM as of June 30, 2017.

Based in New York, Hazeltree is a leading treasury management solution provider, serving hedge funds, asset managers, fund administrators, insurance companies and pension funds. The company's integrated treasury management solution includes comprehensive cash management, securities financing, collateral management, counterparty management and margin management capabilities.

http://finalternatives.com/node/35924?mc_cid=cbfe6e06fc&mc_eid=09a5b83d03

HEALTHCARE TECH

Change Healthcare announces enterprise blockchain solutions on hyperledger fabric

Healthcare Tech

9/26/17

Health 2017 conference in Nashville, Tennessee, Change Healthcare announced blockchain solutions on an enterprise scale. According to the company, which is one of the major independent healthcare technology providers in the U.S., the utilization of blockchain technology will help their clients in boosting revenue cycle efficiency, improving real-time analytics, cutting down costs and creating "innovative new services." Using the organization's Intelligent Healthcare Network, Change Healthcare processes 12 billion transactions covering over $2 trillion in claims annually.

Change Healthcare CEO Neil de Crescenzo stated that the company is working together with both customers and organizations, such as the Linux Foundation's Hyperledger Project, to make access to blockchain technology — and the benefits of the tech — and to develop "additional, advanced use cases."

"We are excited to work alongside our customers and partners to make blockchain real in healthcare. As today's healthcare system becomes more value-based, it's essential that we aggressively and pervasively introduce new technologies into healthcare at scale — whether they leverage blockchain, artificial intelligence or other emerging capabilities with the potential to improve outcomes and efficiencies. We are initially introducing blockchain technology to create a distributed ledger that makes claims processing and secure payment transactions work more efficiently and cost effectively for all healthcare stakeholders," Mr. de Crescenzo said.

"We want to make it easier and more efficient for health care as an industry to utilize this technology and make it a better experience for the consumers as well as the clinicians who don't want to spend their time on the computer," Aaron Symanski, CTO of Change Healthcare, told Bitcoin Magazine. "They just want to go out there and help more people every day."

According to the company's plans, blockchain technology will be implemented on the Intelligent Healthcare Network by the end of the year. Change Healthcare highlighted that their vendor partners and customers will not have to develop new code, interfaces or data formats.

Change Healthcare will utilize the Linux Foundation's open-source Hyperledger Fabric 1.0 blockchain framework. Change Healthcare is a premier member of the Hyperledger Governing Board; therefore, the company will be contributing code innovations to the open-source community in order to improve blockchain applications in the United States and on a global scale.

"Change Healthcare is uniquely positioned to lead blockchain innovation for healthcare, and we are excited to participate in this transformative undertaking with them. With its security,

transparency of transactions, and ability for all stakeholders to access the same information, blockchain technology has potential to increase payment accuracy and revenue velocity, which will benefit payers, providers, and consumers themselves," Brian Behlendorf, executive director of Hyperledger, said in a statement.

According to Change Healthcare, today's blockchain announcement is a part of a series of strategic actions taken by the company. In May, Change Healthcare joined Hyperledger's premier membership as the first healthcare IT vendor. By implementing blockchain technology to the company's services, Change Healthcare seeks to hold its position as a leading innovator along with accelerating the adoption and the development of blockchain and other innovative technologies.

https://bitcoinmagazine.com/articles/change-healthcare-announces-enterprise-blockchain-solutions-hyperleger-fabric/

Evolent Health announces proposed expansion of relationships in Illinois and New Mexico

Healthcare Tech

9/26/17

Evolent Health (NYSE: EVH), a company providing an integrated value-based care platform to the nation's leading health systems and physician organizations, today announced it expects to significantly expand relationships with partners in Illinois and New Mexico.

"These opportunities in Illinois and New Mexico demonstrate the breadth of our capabilities and confidence we have established with partners in multiple segments of the market," said Evolent Chief Executive Officer Frank Williams. "In Illinois, we expect to extend our health plan services platform to serve an additional 160,000 Medicaid enrollees on behalf of CountyCare Health Plan, a subsidiary of Cook County Health & Hospitals System. In New Mexico, we are acquiring selected assets of New Mexico Health Connections, a legacy Valence partner, to establish a new health plan managed services organization that will leverage Evolent's operational, clinical and technology services to support a provider-centric, value-based model of care throughout the state of New Mexico."

In Illinois, CountyCare announced it expects to expand to 300,000 covered lives as a part of the state's overhaul of Medicaid. As a part of this growth, CountyCare expects to more than double the membership scope of its current agreement with Evolent.

Today, Evolent provides a full suite of health plan operational and clinical services to CountyCare's members and providers. As CountyCare becomes one of the largest Medicaid managed care plans in Illinois, Evolent expects to increase services to support a broader network, expanding on the existing 800 primary care providers and 2,600 specialists across the platform.

"We are thrilled to have the confidence of CountyCare and to be a partner in the expansion efforts. This is an exciting opportunity to build on our existing infrastructure and scale our services to reach more Medicaid members in Cook County and deepen the impact we are having in these communities," said Williams.

In New Mexico, Evolent has entered into a unique agreement to acquire assets related to the commercial business from New Mexico Health Connections (NMHC) for $10.25 million in cash. The assets include a health plan management services organization with a tenured leadership team and employee base with extensive experience working locally with providers to run NMHC's suite of preventive, disease and care management programs. The assets will be contributed to a new entity, True Health New Mexico, Inc., a wholly-owned subsidiary of Evolent Health.

The legacy NMHC will continue to operate as an independent non-profit health care organization operating throughout the state of New Mexico, offering individual health insurance products. True Health New Mexico expects to enter into a managed services agreement with NMHC to support this ongoing individual business. Evolent's combined administrative services revenue for contracting with both entities is expected to be approximately $20 million in 2018. True Health New Mexico may also extend the platform to other provider organizations in New Mexico that require clinical and administrative infrastructure to support value-based care arrangements.

"The ability to combine Evolent's industry leading platform with a statewide organization that has a reputation for an integrated provider and consumer-centric approach represents an exciting growth opportunity," said Williams. "Building upon the success of our financially aligned partnerships in other states, we have the ability to leverage relationships with community providers and a world-class clinical and administrative infrastructure to deliver lower cost, higher quality health care for the residents of New Mexico."

"This relationship with Evolent positions our organization for dynamic growth and the chance to extend our mission to more New Mexicans. We expect that providers, employers and members will all benefit from the scale and infrastructure of a national partnership while ensuring leadership and clinical decision-making are still driven locally," said NMHC Chief Executive Officer Martin Hickey, MD. "Evolent's investment supports the sustainability of a statewide, provider-centric model. This should translate into more choice and lower costs by empowering the local physician community."

Both transactions are subject to customary closing conditions which includes certain regulatory approvals, including approval by the New Mexico Office of Superintendent of Insurance (OSI).

http://www.prnewswire.com/news-releases/evolent-health-announces-proposed-expansion-of-relationships-in-illinois-and-new-mexico-300526508.html

Prime Healthcare expands existing partnership with Omnicell to serve a majority of facilities within the health system

Healthcare Tech

9/26/17

Omnicell, Inc., announced that Prime Healthcare, a 45-hospital network serving 14 states, is implementing the Company's new XT Series automated medication dispensing systems in seven hospitals, expanding Omnicell's presence to over half of the facilities within its health system. Prime Healthcare is also adding anesthesia and supply offerings to the suite of Omnicell® solutions used in select sites. Implementing these state-of-the-art solutions can enable Prime Healthcare to increase medication and supply storage capacity and improve provider workflows.

In today's evolving healthcare industry, health systems are realizing the benefits of applying the latest technology to streamline inventory management and optimize providers' ability to deliver excellent care. Within Prime Healthcare's network, adding the Omnicell XT Series Automated Dispensing Cabinets and Anesthesia Workstation™ will help promote safe, secure, and efficient processes and allow the facilities to manage more medications on the patient floors through increased capacity in the same physical footprint.

"As our health system continues to grow and evolve to meet new challenges, we rely on technologically advanced solutions to help us optimize our existing resources and operations, so we can spend more time focusing on our patients," said Ravi Reddy Alla, vice president of Professional Services, Prime Healthcare. "We were impressed by the design and increased capacity of Omnicell's new XT series, and look forward to furthering our relationship with their organization."

Select hospitals in the health system are introducing the XT Anesthesia Workstation™ to help improve medication security and safety in anesthesia procedure areas. This automated system gives anesthesia providers instant access to medications while keeping controlled substances secure and tracking inventory used. Additionally, following the recent launch of the XT Automated Supply Dispensing Cabinets, several facilities within the health system will implement this flexible supply chain solution.

"Over the past five years of working across Prime Healthcare's network, we've continued to be impressed by their dedication to deliver excellent care to their communities," said J. Christopher Drew, president of North American Automation and Analytics, Omnicell. "Through our XT Series, we look forward to helping both existing and new partners within the health system to optimize medication and supply chain distribution processes to streamline workflows for caregivers and their patients."

http://www.prnewswire.com/news-releases/prime-healthcare-expands-existing-partnership-with-omnicell-to-serve-a-majority-of-facilities-within-the-health-system-300527468.html

INSURANCE

TATV deploys Guidewire Systems for business growth

Insurance

9/18/17

Touring Assurances/Verzekeringen (TATV), the leading insurer for direct insurance in Belgium, EY, Sollers Consulting, and Guidewire Software, Inc., announced today that TATV has implemented Guidewire PolicyCenter(R) as its new underwriting and policy administration system, and Guidewire BillingCenter(R) to manage its billing operations. The insurer has also deployed Guidewire DataHub(TM)and Guidewire InfoCenter(TM) as its data management and business intelligence solutions.

TATV chose Guidewire Core and Data products as part of its strategic initiative to optimise process and operational efficiency, as well as to support robust and scaleable business growth. The company is employing these modern products to extend its channel mix, gain better customer insight and develop new product lines with affinity partners. Guidewire technology has been deployed across all lines of business (motor and home) concurrently, and is now used by all business units. Existing business will convert to the new platform at renewal. Guidewire PartnerConnect(TM) Consulting partners, EY and Sollers Consulting, have worked collaboratively with TATV and Guidewire to deliver a successful project.

"It has been gratifying to see this deployment go live ahead of schedule. A key factor in this has been our proactive and agile approach to defining and prioritizing project specification and scope," said Helene Portegies, Chief Executive Officer, TATV. "Our Guidewire technology investment will add the firepower we need to continue our transformation towards heightened customer experience and optimum performance."

"At EY we are really proud to have been able to contribute to such an important transformation for TATV that is leading to a fundamental, new way of transacting insurance in Belgium," said Kris Volkaerts, Partner, EY. "It is a pleasure for each EY team member involved in this project to have been able to work in such a positive and dynamic environment, allowing each of us to make a difference."

EY has brought its local insurance market knowledge and Guidewire expertise to TATV's transformation project with a responsibility for Programme Management, Business Analysis, Functional Solution Overview, Testing, Business Readiness, Security and Release Management. EY has also been responsible for overall data migration, employing its proprietary NextGen Datamigration Accelerator, which reduces migration workload. The data migration work is being done together with EY's GTH (Global Talent Hub) in India.

"Touring Assurances, like Sollers Consulting, is a very Agile organization," said Grzegorz Ukela, Manager, Sollers Consulting. "Both companies are devoted to Agile principles and focused on building a healthy project environment, which makes cooperation smooth, and gives fast results.

We have finished the first project phase earlier than we expected, delivering business value, aligned with Touring Assurances' ambitious strategy."
Sollers Consulting is responsible for the implementation and configuration of the Guidewire products, as well as systems integration, within the existing TATV IT architecture. Sollers' aim is to support the implementation of sales and customer service enhancements, the improvement of customer experience, and the optimisation of business processes. Sollers Consulting combines its knowledge of insurance and Guidewire software with its implementation expertise using Agile methodology.

"We congratulate TATV on their successful deployment of Guidewire core and data products," said Sheridon Glenn, vice president, Field Consulting, EMEA, Guidewire Software. "We have worked closely with TATV, EY and Sollers Consulting on this project to enable TATV to deliver distinctive products and services to their customers in line with their transformation objectives."

http://www.barrons.com/articles/PR-CO-20170918-902490

RSA Canada deploys Guidewire System for claims management

Insurance

9/20/17

Royal & Sun Alliance Insurance Company of Canada (RSA), a leading Canadian general insurer, and Guidewire Software, Inc., a provider of software products to Property and Casualty (P&C) insurers, today announced that RSA has successfully deployed Guidewire ClaimCenter(R) as its new claims management system.

RSA chose ClaimCenter to enable the delivery of a simple, personal, and proactive, customer-centric claims experience for its customers. The company also sought to enhance its operational efficiencies and product growth to support business processes in a cost-effective manner. RSA launched ClaimCenter earlier this month for the majority of its commercial and personal lines of business across Canada. RSA will introduce ClaimCenter to Quebec and its Johnson Insurance business, in 2018.

."We congratulate RSA on their successful deployment of ClaimCenter as the foundation on which to build and manage their claims business," said Mike Polelle, Chief Delivery Officer, Guidewire Software. "We admire RSA's dedication to providing high levels of customer service and are pleased that ClaimCenter contributes to further enhancing the quality of their insurance services."

http://www.barrons.com/articles/PR-CO-20170920-908599

Matic Insurance Services partners with Roostify to streamline homeowners insurance

Insurance

9/22/17

Roostify, an automated lending technology provider and HousingWire 2017 Tech 100 winner, announced a partnership with Matic Insurance Services, a digital homeowners insurance agency for mortgage borrowers, to help bring one of the final steps in the home-buying process online.

Through the partnership, Matic's digital homeowner's insurance agency will be integrated into Roostify's digital home loan process.

"Our partnership with Roostify makes it as easy as the tap of a button for borrowers to purchase homeowner's insurance during the loan application process," added Matic co-founder and COO Ben Madick. "We make the policy information simple to understand, and the entire process takes just minutes, alleviating unnecessary borrower stress and enabling loan officers to close loans faster."

Roostify has partnered with lenders like Guild Mortgage to help them launch digital mortgage platforms.

"Homeowner's insurance has long been a missing element in mortgage innovation," said Matic co-founder and CEO Aaron Schiff, who demonstrated the integration.

"By relocating the insurance purchase decision to where it belongs — within the mortgage transaction — Matic is bridging the gap between mortgage tech and insurtech and meaningfully improving the experience of borrowers and lenders alike," said Schiff.

https://www.housingwire.com/articles/41368-matic-insurance-services-partners-with-roostify-to-streamline-homeowners-insurance

What advisors need to know about the changing LTC market

Insurance

9/22/17

The long-term care insurance market is shifting from standalone products to hybrid ones, roiling traditional strategies for covering a financial burden that clients often bear but advisors insufficiently discuss.

More than half of 65-year-old Americans will require LTC services, and they face average costs of $138,000, according to a report by the Department of Health and Human Services. Although Medicare does not cover most LTC costs, HHS says fewer than 8% of Americans have purchased private plans.

Clients often underestimate both the need and the cost of the services, according to studies cited by HHS. One survey found that fewer than 20% of clients had discussed LTC with their advisor, and NAPFA Chairman Scott Beaudin says advisors “absolutely” do not talk about LTC enough with their clients.

Fortunately, he adds, “There is definitely recognition by planners, and there are new products coming to market that are helping us bring structure and process to helping clients navigate. There’s rarely a family that we encounter now that either is not in this place personally or will be in this place at some point.”

LTC riders attached to life insurance plans present a way forward for clients who could face thousands of dollars in daily care expenses. Key players like John Hancock, MetLife and Prudential have stopped selling new individual LTC policies amid industry struggles with low interest rates.

A different model

Distributors like AXA U.S. have seen significant growth in the number of clients adding LTC riders to their life insurance policies, according to Trey Reynolds, the company’s head of life distribution. Rising premiums for traditional LTC policies and the advantages of hybrids are driving the trend, he says.

“It really delivers the ultimate flexibility and therefore the ultimate value to the policyholder,” Reynolds says.

“It’s a very different model, which is why most insurance companies have moved to it,” he says. “That’s going to take education for us to go out and tell people why hybrid products are different and why they can think about them differently than traditional long-term care products.”

Reynolds acknowledges the expense and complexity of LTC insurance often drives clients away from the topic altogether. He declines to provide cost estimates for AXA's products, saying the products vary too widely to provide the numbers.

But hybrid plans may carry upfront premiums as high as $100,000, according to fee-only broker Peter Florek. The policies often carry additional annual premiums of $2,000 to $3,000, says Florek, vice president of Riverwoods, Illinois-based MAGA Long-Term Care Planning.

With nursing home fees as high as $2,800 per week in New York or $1,750 a week elsewhere, however, the products are worth their price, he says.

"In all cases with these hybrids, these are going to be guaranteed for the life of the product. As a result, the hybrids are more expensive," Florek says. "They have really grown dramatically in recent years as people look for guarantees where they can get them."

https://www.financial-planning.com/news/axa-discusses-hybrid-ltc-plans

What AIG seeks in insurtech associates

Insurance

9/25/17

At AIG, we realize the outstanding prospects that outcome when huge carriers and technological innovation startups be part of forces to fulfill consumers' evolving needs. But the power of these partnerships does not lie in the amount of cash to be invested – just after all, there is ample cash available.

As AIG's Individual Insurance policy enterprise continues to explore partnership opportunities with startups, we believe it's a lot more significant that the associates be of a like mind and engage in to every other's strengths. Both equally provider and startup associates have a role to engage in in making these interactions function. To maintain rate with the quicker decision-making that characterizes startups, insurers require to be capable to transfer from discussion to motion a lot more promptly, and startups really should be capable to join with suitable decision-makers from the get-go. And, while more substantial organizations can physical exercise sizeable bargaining power compared to startups with confined resources, these really should be partnerships amongst equals.

Insurance policy huge American Global Group's announcement Tuesday that it programs to break up off its property finance loan insurance policy enterprise takes the prospect of a broader separation off the table in the quick expression, but some observers assume the firm could nevertheless crack itself up ultimately.

AIG Individual Insurance policy, portion of our Purchaser enterprise, has been partnering with startups throughout marketplaces with engagements ranging from early pilot conversations to concluded products and companies. Recognizing that partnerships require to be developed on have confidence in and shared targets, we have been acquiring a "sandbox" engagement model to facilitate brief decision making while protecting governance to safeguard customer details and proprietary information.

Our "Collective Discovery" session, which we will operate Oct. 3 and 4 during the InsureTech Hook up conference, will give startups a possibility to present their sport-altering ideas and have a discussion with AIG Individual Insurance policy leaders.

Joining me in the method are:

- Maureen Hackett, World Head of Particular person Individual Insurance policy, which includes particular automobile and home
- John McPhee, World Head of Group Individual Insurance policy, which includes particular accident, supplemental overall health and vacation insurance policy
- Frank O'Neill, World Head of Companies, which includes warranty and companies
- Matan Slagter, World Head of Industry Disruption in Individual Insurance policy

The session is developed to be an open up dialogue, rather than a one-way discussion, to superior realize how we can collaborate to solve serious problems for distinct stakeholders in the insurance policy industry. We have determined various locations of concentrate exactly where we are currently lively, and are looking to partner a lot more.

Even so, this is far from an exhaustive listing:

- **Huge info and analytics**: There is a tremendous amount of details available currently. By advancing analytic capabilities and getting accessibility to new details streams, we can present the most suitable products to people at distinct occasions in their life.
- **Artificial Intelligence:** Artificial intelligence technological innovation has the probable to enhance predictive capabilities, present smarter options and generate operational efficiencies, as well as renovate the customer practical experience throughout many interactions – from gross sales to support to statements. We are currently testing conversational synthetic intelligence capabilities with our Journey Guard clients in China.
- **Net of matters:** The convergence of the physical and digital worlds by wise sensors has broad applicability to market tech-enabled insurance policy and companies that proactively prevent mishaps.
- **Individual cyber protection:** Cybercrime offers swiftly multiplying challenges for people. Individual Insurance policy is leveraging AIG Commercial Insurance's marketplace-major knowledge and partnerships to present particular cyber threat management companies. For occasion, our AIG Personal Shopper Group just lately launched its Household CyberEdge protection for significant web really worth clients in the U.S. The protection is accompanied by cyber guidance companies in partnership with K2 Intelligence and CyberScout. We are looking to forge a lot more these kinds of interactions with technological innovation corporations to establish cyber options that generate even a lot more benefit for client clients.

There are many a lot more locations of technological developments and shifts in client behavior, and AIG Individual Insurance policy is fired up to explore them. We have area knowledge to aid sharpen startup enterprise designs in purchase to solve some of the largest troubles dealing with the industry. We have the balance sheet and determination to get at the rear of new ideas and assistance new products, backed by AIG and our Purchaser leadership. We are licensed in many jurisdictions throughout the globe, which gives us the means to promptly deploy pilots with clients and distribution associates. We offer you startups a world wide system for testing their enterprise designs and technologies.

https://www.dig-in.com/news/state-auto-launches-25-million-venture-fund-for-insurtech

State Auto launches $25 million venture fund for insurtech

Insurance

9/26/17

State Auto Labs Corp., the innovation arm of P&C insurer State Auto, has launched a $25 million corporate venture fund to support entrepreneurs and innovations in the insurance industry. The company will collaborate with VC fund Rev1 Ventures to identify transformative technologies and become an early adopter.

All of the money from the fund will be provided by State Auto, but the carrier is leaning on Rev1 to help it identify the strongest startups to engage with, says State Auto Labs managing director Kim Garland. The idea is to combine State Auto's domain expertise in insurance with the venture fund's eye for promising companies.

"Insurance's reputation is a bit slow, bureaucratic or difficult to work with, so entrepreneurs may be nervous about engaging with a large corporation," says Garland. "If you think disruption is going to come from entrepreneurs and outside the traditional insurance ecosystem, VC is probably the model it comes from."

State Auto Labs, which launched last year, is "doing a lot in sensors, telematics for cars, smart homes for houses, wearables for workers' comp," Garland says. However, the increased funding will allow it to bring more insurtechs into the fold and expand those initiatives while adding more.

"As we get a lot of flow of startups pitching us, a lot of those things can help our core business do better," he says. Labs is "taking the latest and greatest things built by entrepreneurs and integrating them into our core business," he adds.

https://www.dig-in.com/news/state-auto-launches-25-million-venture-fund-for-insurtech

Lemonade to conduct groundbreaking experiment on the insurance deductible

Insurance

9/27/17

Lemonade, the New York-based insurtech, is adding a Zero Everything option to its core renter's insurance product.

Zero Everything eliminates deductibles for two claims a year, and doesn't hike rates if customers do file a claim. Lemonade customers can add the option to their existing policy immediately using the company's app and its Live Policy capability, which reflects coverage and premium changes in real time.

Yael Wissner-Levy, Lemonade's head of strategic communications, says that the company is continuously refining its products and experience using behavioral economics, Deductibles, she explains, often confuses customers who want to make a small claim, but would receive little to no insurance value for the item. It also encourages people to exaggerate their property's value to hit the deductible.

"It's part of the overarching mission of Lemonade to make insurance something people can really use," Wissner-Levy says. "The behavioral economics is at play in almost all of the process of getting a policy or filing a claim."

Lemonade's typical deductible is $250 on a $5/month policy, Wissner-Levy adds. Customers who elect Zero Deductible will pay a slightly higher premium for the service.

Lemonade is currently live in five states; the most recent of which is Texas. The company is licensed in 19 states and will roll out to them by the end of the year, Wissner-Levy says.

https://www.dig-in.com/news/lemonade-offers-0-deductibles-to-customers-refining-product-with-behavioral-analytics

Robo Adviser helps drive record boost in AIG investment business

Insurance

9/27/17

American International Group Inc., the 98-year-old insurer and retirement planner, is finding being tech-savvy pays off.

Consumers are pumping cash into a unit that oversees $244 billion in client assets after it invested in digital platforms to make the process easier, according to the head of the division, Kevin Hogan.

“We believe our assets are up billions of dollars as a result,” Hogan said in an interview last week at AIG’s New York headquarters, referring to digital services created for clients such as teachers and hospitals. The unit, called Valic, has set up a record number of investment plans this year, he said.

The market for digital advice is likely to grow to $1 trillion by 2020, according to a recent study by Aite Group. Under Chief Executive Officer Brian Duperreault, AIG has focused on tech to streamline operations and forged a relationship with hedge fund firm Two Sigma Investments to work on deals with small- to middle-sized businesses.

AIG shares slipped 1 percent to $60.38 at 1:12 p.m. in New York, extending its decline for the year to 7.6 percent.

Hogan leads the life and retirement business, a bright spot at the New York-based company that’s struggled with years of surprise costs at its commercial unit. The unit’s pretax operating income jumped 33 percent in the second quarter.

AIG on Monday restructured its business operations, including moving the personal insurance unit into a segment overseen by new executive Peter Zaffino. Duperreault said the change would allow for “the greatest competitive advantage and ability to serve our clients.”

Valic has expanded to more than $99.2 billion in client assets, up from about $95.2 at the end of last year, while the individual retirement unit had almost $144.8 billion as of June 30. Valic has more than 1,000 financial advisers and joined with startup firm RetireUp to use new software in March.

Robo Advisers

Hogan’s team spent 18 months creating digital services for Valic. He is seeking new ways to use artificial intelligence, data and analytics, and has been working with algorithms behind robo-advising platforms to cater to specific clients in the individual retirement business. Rivals such as century-old TIAA, which is known for catering to teachers, have started online advisers.

Robo advisers began popping up shortly after the financial crisis as startups offered lower fees for digital platforms with trading and portfolio services tied to algorithms. At first Wall Street ignored them, but then large asset managers like Charles Schwab Corp. and Vanguard Group Inc. joined the industry and launched robo advisers of their own.

As the millennial generation ages, many of these platforms introduced hybrid products requiring interaction between humans and computers. Betterment is the largest independent robo with just over $10 billion in assets under management, and it recently unveiled a hybrid model. Charles Schwab and Vanguard also have hybrids.

“Robos reaffirm how big the retirement opportunity is in the U.S.,” Hogan said. “An important part of our strategy is to make sure that we’re at the leading edge of how to work with those organizations."

http://www.insurancejournal.com/news/national/2017/09/27/465559.htm

PAYMENTS

How to provide a personalized mobile retail experience at scale

Payments

9/19/17

As marketers, we've heard it before and we'll hear it again: successful marketing is all about delivering the right ads to the right person at the right time.

In the retail environment, especially, delivering the right ads on the right platform plays a crucial role in positively influencing a customer's overall shopping experience, which can drastically differ depending on the location. Big box stores, local supermarkets and convenience stores all offer very different in-store experiences to shoppers, so reaching shoppers on the platforms they use most plays a pivotal role.

Targeting shoppers via mobile based on their shopping habits can improve the consumers' relationship with the brand, whether they're picking up toothpaste at the convenience store or doing their weekly grocery shopping at their favorite local grocer.

Retail advertising has a multitude of factors playing into the success or failure of a campaign, including reaching customers online and in-store and merging those touch points to give the shopper the best possible experience.

From paper towels to cereal, shoppers want to see ads that are tailored to them and fit their own needs, even for the most basic of items on their grocery list. For many shopper marketers, one of the biggest challenges is delivering personal experiences and advertisements at scale, while constantly growing their target audiences. This is where mobile comes into play: 60 percent of shoppers who engage with a retailer prior to shopping do so via a mobile device — making mobile the perfect channel to engage and target customers.

Successful in-store campaigns benefit brands with better shelf placement and visibility among shoppers, so it is imperative for shopper marketers to target consumers on the devices they use most, their smartphones. Many retail advertisers are turning to data management platforms to hone in on behavioral data tied to mobile IDs that help shopper marketers better target consumers. This data is valuable to both retail and mobile marketers because it allows brands to offer more precise and relevant ads to consumers rather than spamming everyone with ads that don't match their needs.

Here are three tips shopper marketers can put into action to successfully expand their mobile audiences.

- **Match customer profiles to personas:** Many times, consumers can be segmented together in to groups based on similar characteristics. Customer relationship management data on past purchases, branded interactions, website searches and more

can be a valuable asset to marketers looking to group together different shoppers based on their previous behavior. These can then be made into personas to target. Because these segmented personas are based off real actions shoppers have taken, they are the strongest predictor of future behaviors, which is great data to have when looking to re-engage or expand your audience via mobile ads.

- **Lookalike targeting:** When trying to expand consumer audiences, targeting consumers whose shopping behaviors are similar to those already loyal to your brand is the best first step. Lookalike targeting is especially helpful because it's based off real users whose actions are similar to your current user base. Lookalike targeting can offer greater precision for audience expansion because it's based off actual behaviors, increasing the chances of your ad resonating with them. Many brands also leverage programmatic techniques and real-time bidding networks to seamlessly disseminate these ads across a variety of mobile platforms for even more precision.

- **Geo-targeting:** Precise geo-targeting can help marketers reach those who are physically close to key retailers and can be immensely helpful to those looking to expand their audience. The technology available today gives marketers the ability to target users based on latitude and longitudinal data, allowing for even more precision. Furthermore, geo-targeting can be a great tactic for those looking to re-engage shoppers who have previously visited a retailer or live in that geographical area. Geo-targeting can be a great technique to use for audience expansion, especially if you're targeting key retailing areas, like malls.

As a shopper marketer, being able to target mobile IDs is critical when working to expand audiences. Creating lookalike audiences and mobile personas are an easy and strategic way to provide both the personalization and scale needed to reach consumers. Maintaining quality of both ads and impressions is obviously key, but using data to help better target consumers improves both performance metrics, like click rates, and a user's overall experience with any given brand and retailer.

https://www.mobilepaymentstoday.com/articles/how-to-provide-a-personalized-mobile-retail-experience-at-scale/

British supermarket offers 'finger vein' payment in worldwide first

Payments

9/20/17

UK supermarket has become the first in the world to let shoppers pay for groceries using just the veins in their fingertips.

Customers at the Costcutter store, at Brunel University in London, can now pay using their unique vein pattern to identify themselves.

The firm behind the technology, Sthaler, has said it is in "serious talks" with other major UK supermarkets to adopt hi-tech finger vein scanners at pay points across thousands of stores.

It works by using infrared to scan people's finger veins and then links this unique biometric map to their bank cards. Customers' bank details are then stored with payment provider Worldpay, in the same way you can store your card details when shopping online. Shoppers can then turn up to the supermarket with nothing on them but their own hands and use it to make payments in just three seconds.

It comes as previous studies have found fingerprint recognition, used widely on mobile phones, is vulnerable to being hacked and can be copied even from finger smears left on phone screens.

But Sthaler, the firm behind the technology, claims vein technology is the most secure biometric identification method as it cannot be copied or stolen.

Sthaler said dozens of students were already using the system and it expected 3,000 students out of 13,000 to have signed up by November.

Finger print payments are already used widely at cash points in Poland, Turkey and Japan.

Vein scanners are also used as a way of accessing high-security UK police buildings and authorising internal trading at least one major British investment bank.

The firm is also in discussions with nightclubs, gyms about using the technology to verify membership and even Premier League football clubs to check people have the right access to VIP hospitality areas.

The technology uses an infrared light to create a detailed map of the vein pattern in your finger. It requires the person to be alive, meaning in the unlikely event a criminal hacks off someone's finger, it would not work. Sthaler said it take just one minute to sign up to the system initially

and, after that, it takes just seconds to place your finger in a scanner each time you reach the supermarket checkout.

Simon Binns, commercial director of Sthaler, told the Daily Telegraph: ‘This makes payments so much easier for customers.

"They don’t need to carry cash or cards. They don’t need to remember a pin number. You just bring yourself. This is the safest form of biometrics. There are no known incidences where this security has been breached.

"When you put your finger in the scanner it checks you are alive, it checks for a pulse, it checks for haemoglobin. ‘Your vein pattern is secure because it is kept on a database in an encrypted form, as binary numbers. No card details are stored with the retailer or ourselves, it is held with Worldpay, in the same way it is when you buy online."

Nick Telford-Reed, director of technology innovation at Worldpay UK, said: "In our view, finger vein technology has a number of advantages over fingerprint. This deployment of Fingopay in Costcutter branches demonstrates how consumers increasingly want to see their payment methods secure and simple."

http://www.telegraph.co.uk/news/2017/09/20/british-supermarket-offers-payment-fingerprint-worldwide-first/

TerraPay and bux partner to launch mobile app based cross border money transfers to India

Payments

9/21/17

TerraPayTerraPay, the world's first mobile payments switch, announced today that it has partnered with bux, a mobile app money transfer service, to launch anywhere, anytime instant cross border money transfers from Australia, Hong Kong, the United Kingdom and Europe to India. The partnership with TerraPay and bux just made sending money to India a little cheaper and more convenient because it can now be done from a mobile phone with just a few taps. Bux customers have the freedom to safely and instantly transfer money, 24X7, to bank accounts in India from their mobile phones through the mobile application.

bux's money transfer service offers compelling benefits to expats, foreign workers, international students and migrants, including; access to low-cost, anytime, anywhere secure money transfers, up to 45% cheaper than competitors. Traditionally when sending money home, migrants would have to put up with expensive trips to agent locations or bank branches, high fees and transaction times of up to a week to send small value transfers.

Mr. Ambar Sur, Founder & CEO of TerraPay said, "The partnership between TerraPay and bux aims to add value to the growing remittance market. We are proud to increase the speed and convenience with which people in Australia and Hong Kong can send money to friends and family in India. Our partnership with bux will help the migrants by providing a real-time, 24X7 and seamless money transfer service experience."

Andrew Webber, Managing director, bux says, "We are very excited about our partnership with TerraPay and adding India as a send money destination in the bux app. This partnership means that bux customers can now send money home to India from Australia, the United Kingdom and Europe anytime, anywhere. Adding this growing remittance corridor to the app will ensure continued customer growth for bux. We are proud that we can now provide the Indian diaspora around the globe an easier, cheaper and safer way to send money home."

https://www.finextra.com/pressarticle/70803/terrapay-and-bux-partner-to-launch-mobile-app-based-cross-border-money-transfers-to-india

Infosys Finacle partners with ToneTag to offer sound-based contactless payments

Payments

9/22/17

Infosys Finacle, part of EdgeVerve Systems, a wholly-owned subsidiary of Infosys, today announced a partnership with ToneTag, a provider of near-field communications, payments and location based services using sound waves.

Through this partnership, Finacle and ToneTag will offer a joint solution that will leverage the latter's sound wave technology to enable proximity payments and interactions.

Leveraging this joint solution, banks will now enable their consumers to authenticate themselves and transact at bank branches, ATMs and retail outlets, in a highly secure, fast and seamless manner. Consumers can make payments with a tap of their phone, which will expedite the checkout process at merchant location, and improve the overall shopping experience. Delivered through Finacle digital banking solutions such as Finacle Mobile Banking and Finacle Digital Wallet, the solution will be available on all kinds of mobile devices, including feature phones.

ToneTag is one of the companies that was recognised in the recently concluded chapter of Finacle FinTech Connect, an initiative that builds on ongoing alliances and the Infosys Innovation Fund program to identify promising new FinTechs.

Highlights

- With this solution, banks will be able to offer contactless payments on traditional Point-of-Sale machines without adding any new hardware device
- The solution will empower consumers across segments to enjoy tap and go experience at the merchant location. At the time of payment, the sound based technology will enable exchange of essential information for payment processing such as merchant id, device id, transaction reference number and amount, between the Point-of-Sale machines and consumers' phone. Basis this information, consumers can approve the transaction on their phone, without sharing the card or account information with the merchant. The unique aspect of this solution is that unlike NFC-based proximity payments, which require expensive handsets and new-age point-of-sale-machines, the sound based contactless payments can be offered on all smart phones and feature phones
- The contactless technology from ToneTag, combined with biometrics authentication capabilities of Finacle solutions such as fingerprint or facial recognition, will enable consumers to have a completely frictionless experience while shopping
- Based on the industry recognised EMVCo technical standard (which facilitates worldwide interoperability and acceptance of secure payments), the solution allows bank

customers to make contactless payments using their digital wallets, linked credit/debit cards, or through direct debits from their accounts

- The solution offers advanced security through three layers of encryption, along with tokenisation, Host Card Emulation and White Box Cryptography to enable secure and convenient payments

Sanat Rao, Chief Business Officer, Infosys Finacle: "In the emerging NFC-based payments ecosystems driven by Apple and Samsung, banks are being relegated as the back-end payment utility provider. The sound wave based proximity payments solution by ToneTag offers a significant opportunity for banks to gain control of the last mile payment experience, without making substantial capital investments. We are glad to bring this promising startup to our client ecosystem."

Kumar Abhishek, Founder, ToneTag: "Customer experience, security and interoperability will continue to be key for financial service applications. ToneTag brings all of these to the forefront and integration with Infosys Finacle will place our innovation into the hands of more than 800 million consumers across 94 countries."

https://www.finextra.com/pressarticle/70822/infosys-finacle-partners-with-tonetag-to-offer-sound-based-contactless-payments?utm_medium=dailynewsletter&utm_source=2017-9-25

BluePay partners with Datacap to expand EMV processing capabilities with TranCloud

Payments

9/22/17

BluePay, a leading provider of credit card processing solutions, has partnered again with Datacap Systems to offer TranCloud, an EMV-enabled payments application for mobile and browser-based Point of Sale (POS) systems.

The plug-and-play device connects to a merchant's network to facilitate the transaction process. This cloud-based payment hub allows merchants the flexibility to process transactions through the BluePay Payment Gateway, while expanding the selection of compatible PIN pad hardware. Presently, BluePay's certification for TranCloud supports compatibility for the complete line of Telium 2 payment terminals from Ingenico Group.

As a security-centric device, TranCloud reduces a merchant's PCI scope by supporting security features including EMV, point-to-point encryption (P2PE), tokenization, and the ability to separate the payments network from the POS environment.

"The addition of a BluePay-specific EMV certification for TranCloud is an exciting option for both existing and prospective Datacap Point of Sale partners," commented Justin Zeigler, Director of Product Strategy at Datacap Systems. "Now, TranCloud users can securely send payments through BluePay's processing host via a variety of hardware options to accommodate the requirements of virtually any merchant."

"We are excited to broaden our existing EMV processing capabilities with the addition of TranCloud. By partnering with Datacap, we can now offer both NETePay and TranCloud with point-to-point encryption (P2PE) to our many partners and merchants," commented Jeffrey Punzel, Senior Product Manager at BluePay.

http://www.prweb.com/releases/2017/09/prweb14722879.htm

Mastercard hints at plans for blockchain settlement system

Payments

9/22/17

Mastercard may be looking to integrate blockchain into its payments infrastructure.

The U.S. Patent and Trademark Office (USPTO) published a new application from the financial giant this week that outlines a solution for a "uniform settlement system" – one that would help ease some of the friction involved with business-to-business payments. Specific issues cited in the application include growing data storage demands and the overall volume of transactions.

Notably, Mastercard suggests in the text that such a system could include a blockchain-based ledger of transactions.

As the application explains: "In some embodiments, the ledger may be a blockchain configured to store the associated data. In the system, the data values may include the purchase orders, invoices, transaction data, and other data stored in the ledger as discussed herein."

Mastercard clarified that the blockchain would be able to automatically note all changes made to the ledger, creating a verifiable and immutable record of all data. As a result, malicious users would be unable to modify transactions in the system.

The entry represents the latest intellectual property play by Mastercard that invokes blockchain, in a series of applications that goes back to 2014. Most recently, in August, the USPTO published an application related to cryptocurrency-based refunds.

https://www.coindesk.com/mastercard-hints-plans-blockchain-settlement-system/

Aldi begins accepting contactless payment

Payments

9/22/17

Aldi is now accepting Apple Pay, Android Pay and all other forms of contactless payment at all of its nearly 1,700 stores nationwide, according to a company statement.

“We’re continually innovating to provide our customers a faster, more efficient shopping experience that saves them time and money,” Jason Hart CEO of Aldi U.S. said in the statement. “Shoppers love ALDI because we build and run stores they can shop quickly. Contactless payment makes shopping at ALDI that much faster and more convenient.”

The move is Aldi’s latest technology-oriented effort aimed at providing more convenience solutions for consumers. Aldi partnered with Instacart earlier this year to test home delivery in select markets.

In addition to being low-price leader with a carefully curated assortment inside just 12,000 square feet of store space, Aldi strives to be the premier small-box alternative for shoppers seeking a quick, in-and-out grocery experience.

Just before Lidl opened its first U.S. stores this summer, Aldi made its intentions to dominate the nation’s hard discounting sector clear. The retailer announced plans to spend more than $5 billion in the next five years to add about 900 new stores and remodel existing units.

"Aldi wants to be the company to bring hard discount grocery shopping into the mainstream," Tim Barret, senior research analyst with Euromonitor, recently told Food Dive. With its trial of home delivery via Instacart, the retailer is taking steps to make shopping more convenient. Now, its move to accept ApplePay illustrates the retailer’s latest effort to speed up the checkout process and provide even more shopping convenience.

For a retailer that held out for years before finally accepting credit cards in its stores in 2016, this is a pretty progressive move. But think about the savings to be had should Aldi be able to move shoppers to a contactless payment solution like ApplePay over traditional credit and debit cards, where retailers typically get charged a 2-3% usage fee by financial institutions. The retailer could cycle this cost-savings back into the business and turn out even lower prices.

The way Aldi has quickly entrenched itself as an everyday shopping option and pulled huge market share in the UK should be a lesson for U.S. grocers to watch out.

One need only look at Britain’s grocery wars to understand the devastation that could be wrought by Aldi and Lidl. To compete with those chains, Wal-Mart’s Asda U.K. grocery unit and rival supermarkets Sainsbury, Tesco and Morrisons have been slashing prices to neutralize the German threat. U.S. retailers too could be in for the battle of their lives, particularly as price

wars among the hard discounters, Walmart, Target, Kroger and others continue to exert pricing pressure throughout the industry.

http://www.fooddive.com/news/grocery--aldi-begins-accepting-contactless-payment/505622/

PayThink Virtual cards can end health care's reliance on paper bills

Payments

9/25/17

The adoption of electronic payments in the health care industry has been slower than in other large sectors.

This is understandable in an industry where back-end innovation is rightfully secondary to innovation in treatment and care. It is also, perhaps, a function of the complexity of an industry comprising many different types of payers and health care providers, with widely different requirements for managing payables and receivables.

Health care regulations have looked to increase the speed of Electronic Fund Transfer (EFT) adoption, with the Affordable Care Act (ACA) mandating all payers support EFT and the required Electronic Remittance Advice (ERA) to providers on HIPAA-covered transactions. This is a reflection of the commentary and testimony provided to the federal government on the immense advantages that electronic payments offer over checks and cash.

" These advantages are real and uncomplicated. Health care providers of all shapes and sizes experience significant, sometimes existential, challenges in collecting what they are owed.

Electronic payments offer hospitals and practices a quicker, more efficient, trackable and safer way to collect. They eliminate the need to maintain a “float” on check payments, improving cashflow and decreasing the number of write-offs.

For payers, electronic payments significantly reduce the administrative and other costs associated with producing and mailing paper checks and eliminate the work and treasury costs involved in tracking and replacing checks that go missing or are stolen. To this point, health care providers often utilize electronic payments to pay their own vendors and health care suppliers.

The primary form of electronic payments used in health care currently is the venerable Automated Clearing House (ACH) system, which transfers funds from bank account to bank account.

This is a particularly attractive option for large hospitals and health care networks, which generally have extensive receivables technology and IT support that can manage the technological system changes needed to comply with the Affordable Care Act mandates for EFT and ERA in the correct format.

For smaller providers, however, ACH is less attractive; using it requires providers to establish a parallel payments infrastructure alongside their ability to accept credit and debit cards from

patients. For these, virtual credit cards (VCCs), a payments innovation widely used in other industries, may offer a simple way to reap the benefits of electronic payments.

According to a study conducted by Medical Group Management Association of its members, 98% of survey respondents already accept payment cards.

VCCs use the same technology that supports consumer payment card transactions to make and receive health care payments. They function by processing a one-time payment for a predetermined amount to a designated payee, using a unique card number, in this sense functioning like a check or prepaid debit card. The organization receiving the payment enters the unique card number into either a card terminal or web portal, and the funds are delivered to the provider. The provider also receives the ERA simultaneously, electronically or as a printed hard copy (the fact that ACH cannot do the same is a major failing of that system). This allows the provider to reconcile the claim and determine what, if any, amount must be collected from the patient.

VCCs hold some attractions for larger providers too, particularly in offering cutting-edge data security which exceeds that of ACH. Many health care providers are increasingly aware of the danger to payment data from data breaches and their responsibility to protect from attacks.

Unlike ACH, providers do not have to provide bank account details to use VCCs. If fraud is suspected on a card transaction, the card network processes offer more efficient, effective and expeditious means of resolving transactions than typically found with ACH and check fraud. Further protection is provided by the fact that VCCs can be restricted to specific merchant category codes (MCCs), which means that such VCCs will only be chargeable by a specific type of merchant such as doctors or hospitals.

Despite these unique and valuable aspects, VCCs are, in fact, little different to traditional credit cards in terms of the hard ware they require for processing. For many providers, the ability to leverage existing infrastructure in order to efficiently process payments is a critical variable in their evaluation of the various payments options available to them.

The complexity of the health care industry rarely lends itself to the development and widespread adoption of a generic service that suits all needs. Managing payments is no exception to this rule. Adding VCCs to the range of options available will enable providers and payers an additional means to unlock the value inherent in electronic payments. Doing so can only enhance the efficiency and functionality of the entire health care ecosystem.

https://www.paymentssource.com/opinion/virtual-cards-can-unlock-health-cares-reliance-on-paper-bills

Youtap debuts cloud service for mobile money and payments providers

Payments

9/25/17

Youtap is launching Youtap Cloud, a payment processing platform delivered as a cloud service for mobile money and payment providers in developing markets, according to a press release.

Youtap Cloud enables real-time transaction processing for contactless mobile money and bank wallet payments. It supports QR code payments, as well as NFC technology, including low-cost micro point-of-sale devices, companion cards and 'tap and pay' using tags or wearables.

Youtap said the product is a white-label service with minimal upfront costs, enabling the provider to focus on go-to-market initiatives and merchant acquisition, according to the release.

The company said use cases for the service include merchant payments, airtime top-up, bill payments, toll-road and transport payments, disbursements and welfare to citizens and refugees, loyalty and promotions, microfinance and international remittances.

Youtap Cloud can be integrated with devices from Verifone, Pax and Ingenico, while also supporting Android and Linux based devices from a variety of manufacturers, according to the release.

https://www.mobilepaymentstoday.com/news/youtap-debuts-cloud-service-for-mobile-money-and-payments-providers/

Ondot Systems integrates card control software into Access Softek mobile banking platform

Payments

9/25/17

Ondot Systems, the leading provider of mobile-based card services platforms, has integrated its solution with Access Softek to deliver a unified mobile banking and card control experience to financial institutions.

Ondot's and Access Softek's mobile banking and card services platform provides users with a unified application that can control all card settings with just a few taps from a Smartphone. This includes card on/off switches, location-based controls, spending limits, alerts and transaction or merchant controls to better meet consumer demands.

San Jose, Calif., based Technology Credit Union (Tech CU), with more than 90,000 members, implemented the card control solution as a companion mobile application called Card Manager, developed by Ondot Systems. Card Manager integrates seamlessly with Tech CU's mobile application developed by Access Softek. The service is operated by Ondot's partner, CO-OP, under the CardNav brand.

Members now have complete control of how and where their card is used. They can manage how much they spend on it, prevent fraud by invoking location controls and perform self-service functions from their application in seconds around the clock without having to contact the credit union. The service is available now and delivered via Tech CU's new mobile banking application available for both Android and Apple iOS.

"When it comes to card preferences, members are drawn to services that allow them to securely transact on their terms," said Rachna Ahlawat, executive vice president of Ondot Systems. "Through our integration with Access Softek and CO-OP, financial institutions like Tech CU can offer their members mobile-based card controls with real-time visibility to monitor each and every transaction to enhance card user experience while reducing risk of fraud."

This solution is a testament to how Fintech companies are partnering to deliver enhanced mobile services to financial institutions that increase customer engagement, reduce fraud and service costs and increase revenue.

"As mobile banking increasingly eclipses online banking as the digital channel of choice, it's crucial to offer innovative features that meet consumer expectations," said Chris Doner, CEO of Access Softek. "Integrating Ondot's card controls into our mobile banking platform provides our 400 financial institution customers with a powerful tool to reduce fraud and better manage their cards with as much detail as they desire."

By downloading the new mobile banking application, Tech CU members can turn their cards off or on, set location parameters on where their card can be used, manage daily spending limits and other payment parameters, like choosing to accept charges in certain merchant or transaction categories while declining all others.

“At Tech CU, ensuring that our members have a great experience is our top priority,” said Dean Davis, Senior Vice President of Information Technology at Tech CU. “I recently used the service while traveling with my family and it offered us much peace of mind. We knew that no matter where we were in the world, we wouldn't have to call in to adjust our credit card settings. I’m glad that our members will be able to have a similar experience — allowing them to gain real-time control and better insight into their finances. Ondot Systems was a great partner in helping to bring this service to fruition."

http://www.businesswire.com/news/home/20170925005026/en/Ondot-Systems-Integrates-Card-Control-Software-Access

Mastercard and Swarovski launch VR shopping

Payments

9/26/17

This new shopping app highlights the value of the pieces, the story behind the inspiration, the complex manufacturing process, and the designers' creative journeys. Masterpass enables consumers to check out from within the VR experience without having to add payment details.

Consumers can place their phones into a compatible VR headset to enter the experience, which enables them to walk through the five areas of the virtual home to browse designs by artists such Norwegian-born Kim Thome, Amsterdam-based Aldo Bakker, Spanish designer Tomás Alonso and architect Zaha Hadid.

"Atelier Swarovski Home is a masterfully crafted collection that is most dynamic when experienced first-hand," says Nadja Swarovski, member of the executive board, Swarovski Crystal Business. "As our e-commerce business continues to grow, this partnership allows consumers a fully immersive shopping opportunity to interact with the product and then purchase seamlessly within the experience."

Upon launching the app, consumers will be prompted to log in and begin an authenticated, secure session by using their Masterpass account credentials.

After starting a session, consumers will be able to navigate through the home's different rooms and browse through the collection by moving their heads left to right or up and down.

Once the consumers decide and select the piece from the collection that they want to purchase, they can add it to the cart and check out by focusing their gaze on the Masterpass button that appears at the bottom of the product description.

When the consumer exits the application or the session detects that the headset has been removed, the consumer automatically will be logged out of his/her Masterpass account to protect against unintended purchases.

The virtual interactive experience was created and developed by immersive technology company Youvisit.

The app will be available for download from the iTunes app and Google Play stores in October.

http://www.bankingtech.com/1000052/mastercard-and-swarovski-launch-vr-shopping/?utm_source=rss&utm_medium=rss&utm_campaign=mastercard-and-swarovski-launch-vr-shopping

Fed allies on faster payments

Payments

9/26/17

The Federal Reserve first studied the potential to advance a faster payments system three years ago and has established a soft deadline of the year 2020 to have a system in place.

A task force report in late July outlined where the initiative is at in terms of proposals from technology providers, and what needs to take place next.

Those steps include more collaboration on faster payments rules and standards, understanding the regulatory landscape, monitoring security challenges and opportunities, and establishing settlement services that would function in a retail payments environment. There will also be continued discussions about the role of the Federal Reserve in a faster payments environment beyond settlement services.

It was important to the task force that a faster payments system in the U.S. be “broadly inclusive,” Burke said. “The concept of bringing everyone together and realizing we can be a leader on this was very important. I would like something that just works at TD Bank, but that attitude just doesn’t work in the U.S.”

Same-Day ACH, The Clearing House and the advancement of person-to-person payments through the bank-supported Zelle are examples of new innovation that will have a place in whatever ultimately becomes the U.S. faster payments system, said Charles Ellert, payment strategy manager at Verizon.

“I’m glad we didn’t just choose one system,” Ellert said of the task force's process of taking into account multiple proposals and lining up nearly 20 systems. Under that process, the task force felt it was including many major technology drivers of digital and mobile payment advancements.

Faster payments will come with significant benefits because the system will create new jobs and new revenue opportunities for companies and banks, Ellert added. “We are riding on the rails of a 40-year-old processing system that still delivers value, but I am excited to see change and what happens next.”

One such opportunity comes from the gig economy, as the ride-sharing provider Lyft explained last week at SourceMedia's PayThink event in Phoenix. Drivers have an immediate need for funds to pay for gas, for example, but Lyft's instant payment system is based on debit rails and thus can't serve drivers who use prepaid cards or other account types.

“There is a compelling need today to solve this. We are faced with it on a day to day basis and we have been faced with it for years,” said Ashwin Raj, Lyft’s vice president of payments, at

PayThink. “My driver who needs to pay for his gas to provide the next drive cannot wait for Same Day ACH. They need those funds immediately.”

At the Fed event, Gary Shapiro, president and CEO of the Consumer Technology Association, drew parallels between how the drive for high-definition television in the consumer world unfolded in the country and how the banking industry is seeking faster payments standards.

“You have to be open to disrupting technology and be very flexible about it,” Shapiro said during his keynote presentation. “You have to talk to people in different industries to see the other possibilities, because partnering is really important.”

As an executive outside of the payments industry, Shapiro was blunt in his assessment of the current payments ecosystem.

“Payments seem ancient to me, and I wonder why does it take so long" to settle a transaction, Shapiro said. “And it seems like banking and payments haven’t changed much over the years, even from the time when I was a little kid, other than maybe eliminating some paper.”

But the progress is coming in the work of the payments task force, Shapiro said, almost in the same manner as how TV technology evolved. “Now the competition is coming out there with smartphones and electronic platforms are being set up,” he said.

https://www.paymentssource.com/news/fed-allies-on-faster-payments-get-it-right-the-first-time

Access Softek adds Ondot Systems' mobile banking card control tool

Payments

9/26/17

Ondot Systems, a provider of mobile-based card services platforms, has integrated its solution with Access Softek to deliver a unified mobile banking and card control experience to financial institutions.

According to a press release, the combined platform provides users with a unified smartphone application that can control all card settings with just a few taps. This includes card on-off switches, location-based controls, spending limits, alerts, and transaction or merchant controls to better meet consumer demands.

Technology Credit Union, a California-based FI with more than 90,000 members, implemented the solution, developed by Ondot Systems and called Card Manager, as a companion mobile application.

Card Manager integrates with the Tech CU mobile application developed by Access Softek. The service is operated by Ondot partner, Co-op, under the CardNav brand.

The service is available now and delivered via Tech CU's new mobile banking platforms for both Android and Apple iOS.

https://www.mobilepaymentstoday.com/news/access-softek-adds-ondot-systems-mobile-banking-card-control-tool/

Braintree, Eventbrite make concerts and commerce contextual

Payments

9/26/17

Commerce interrupted is a terrible thing. Consumers miss out and merchants miss a sale. The familiar friction points – typing in 16-digit card numbers, especially when on a mobile device – is a pain point that the entire payments industry has been focused on now for many years.

But that's not the only friction that stands between a consumer and her decision to buy.

Waiting not so patiently for a merchant page to load, or being redirected to a new page, can also be enough of a distraction to dissuade a customer from sticking it out all the way through checkout. In those precious moments, the customer becomes focused more on the friction of the buy than why she decided to buy in the first place. It's not so much that commerce is interrupted, but that commerce is disconnected from the context that brought the consumer to the point of purchase in the first place.

Braintree's Azita Habibi told Karen Webster that tools and technologies now exist so that merchants can make those commerce experiences contextual – and completed.

The power of those tools in action was announced yesterday in a company blog post. A Braintree partnership with Everbrite makes the purchase of tickets on the Facebook platform seamless and contextual. No more redirect pages, for one, which increases conversions – but that's just online.

The partnership also allows Eventbrite to bridge that online experience with one that will happen offline once they get to the concert. There, contactless RFID bands will make it possible for those same payments credentials to be used by ticket holders to buy anything that any concessionaire at that concert is selling.

"With [the Braintree] APIs and tokenization technology, we can make the kinds of payments data sharing possible [that's] necessary to really power distributed, contextual commerce," Habibi noted. "It's been great to help firms like Eventbrite to deliver an experience that is secure and, from the consumer's point of view, even magical."

Expanding the connections

Eventbrite wanted it to be easy for their customers to buy their tickets on Facebook and its other distribution commerce partners in a single click-and-go transaction, and then use those same credentials inside of the wristband to buy food and tee-shirts without having to pull out a wallet or carry cards or cash. Creating that contextual commerce experience – from the consumer with the payments credentials to the merchant who needed to accept them – was the critical loop that needed to be closed.

In the brainstorm sessions that followed, Habibi said, it became clear that what was needed to power this experience was already part of the Braintree platform.

“The magic for the concertgoer is getting that RFID wristband and having it embedded automatically with the payment credentials used to buy the ticket,” Habibi noted.

Although the RFID tech is Eventbrite’s, the payments data is handled by Braintree, which steps in to grant information to the concessionaires that allows them to accept payments from the bracelet via a customized token. That token can only be used by an approved merchant within the Eventbrite marketplace, whether or not that vendor is an existing Braintree customer.

The token is revocable at any time and can be programmed for a certain duration. If the concert venue is open for three hours one evening, that’s how long the token is active, and if it’s a three-day festival, the token is programmed for three days – but only for the assigned set of merchants that are part of the concert marketplace. Habibi noted that there are a number of controls in place to ensure that tokens are secure, and used when and with whom permissions have been granted.

What’s next

The magic, Habibi said, is more than just an enjoyable customer experience – it also includes the sales that merchants make when consumers are no longer tethered to their wallets. Making the concerts cashless drove users to spend twice as much as those who use cards or cash. On Facebook, eliminating the redirect drove the sale of twice as many tickets.

Even more exciting, Habibi said, is that what’s seen today is only scratching the surface of what will be possible when consumers can securely share payments tokens. The rise of voice-activated AI and commerce that’s centered around conversations with chatbots, she explained, will only accelerate the importance of creating and deploying those secure, uninterrupted and very connected purchasing experiences.

“As that next evolution unfolds, the ability to transact contextually – to make that bridge between the online and offline worlds completely contextual – is essential for both merchants and the consumers they work so hard to serve,” Habibi said.

https://www.pymnts.com/news/mobile-commerce/2017/braintree-partners-with-everbrite-to-offer-contextual-commerce/

Bank of America faces Biometrics

Payments

9/26/17

Ever since Apple added a fingerprint scanner to the iPhone 5S in 2013, consumers have become increasingly used to interacting with biometric authentication technology. But now, less than five years later, can companies around the electronics and authentication spaces push consumers to adopt the next step in the evolution of biometrics: facial recognition?

Biometric authentication and other security features have come under increased scrutiny lately, as roughly 143 million consumers continue to feel the initial ripples from this month's Equifax data breach, yet providers are still hoping to push the technology forward.

The September edition of the PYMNTS Digital Identity Tracker™, powered by Socure, features more on recent headlines surrounding biometric authentication and other notable trends from around the security and authentication space.

Around the Digital Identity World

After Apple unveiled the facial recognition (Face ID) replacement for fingerprint scanning on its new top-of-the-line iPhone X, several other companies looked to further bolster the security of mobile devices by taking a page from Apple's playbook and adding their own biometric-based authentication abilities.

KFC, for one, showed it isn't, well, chicken when it comes to trying out new authentication technologies in China. According to several reports, the fried chicken chain is now accepting payment via Face ID tech at certain locations in the country.

Similarly, financial institution ANZ is also looking to boost mobile payment protection through biometric authentication. The company recently debuted Voice ID, a new system to better authenticate and protect users making mobile payments through voice-based biometrics.

BoA Explores Faces and the Next Phase of Biometrics

Meanwhile, for banks and other financial institutions, implementing biometric authentication often means striking a difficult balance between consumer convenience and security.

According to Hari Gopalkrishnan, managing director of consumer-facing platforms and technology for Bank of America (BoA), while banking security features obviously need to be secure, if consumers find an authentication method to be cumbersome, intrusive or difficult to set up and interact with frequently, they may choose not to use it at all.

In a recent interview with PYMNTS for the September Tracker's feature story, Gopalkrishnan explained that passing on biometric authentication could leave consumers' digital identities

more easily exposed to fraudsters, hackers and other bad actors, potentially resulting in a data breach.

“We need to know what our customers really want to use before we can commercialize something and put it out to [them],” Gopalkrishnan said. “Once we know they want something, then we can make it part of our platform, because then we’re confident they’ll use it and not leave themselves vulnerable.”

To read this month’s Digital Identity Tracker Feature Story and check out more recent notable news headlines and trends, download the September Tracker.

https://www.pymnts.com/news/security-and-risk/2017/bank-of-america-invests-in-face-id-biometrics/

First Tech Credit Union goes live with Zelle

Payments

9/26/17

Zelle, powered by payments and risk management firm Early Warning, enables funds to be sent from one bank account to another typically in minutes, when both parties are enrolled, using only a recipient's email address or mobile number.

"We are a credit union serving employees in the tech sector, so naturally our members have high expectations when it comes to their mobile banking experiences," says Greg Mitchell, CEO, First Tech Federal Credit Union. The $10.6+ billion financial institution is based in Mountain View, California, and serves technology-oriented companies and their employees, including HP, Microsoft, Intel, Cisco, Amazon, Intuit and Google.

In 1989, First Tech was one of the first banks and credit unions to offer online banking to its members, followed by a mobile banking solution in 2000, the credit union said.

The launch follows a Zelle report earlier this month that more than 50,000 consumers are enrolling in the service daily, contributing to more than 100 million real-time P2P payments, totaling $33.6 billion, in the first half of 2017.

Although the Zelle Network offers its own Zelle App that enables transfers to "almost anyone with a Visa or Mastercard debit card issued in conjunction with a US bank account," First Tech is deploying the technology inside its own mobile app.

Zelle is the banking industry's answer to popular P2P services like Venmo, and it's part of the larger nationwide push in the US to deliver widespread real-time payments to consumers by 2020.

An August report from UK-based consutlancy Ovum, found that most banks see such immediate payments as a key revenue driver.

http://www.bankingtech.com/999982/first-tech-credit-union-goes-live-with-zelle/?utm_source=rss&utm_medium=rss&utm_campaign=first-tech-credit-union-goes-live-with-zelle

Enhanced TNS Solution creates growth opportunities for Canadian ATM operators

Payments

9/26/17

An exciting array of new features are set to help Canadian ATM operators and deployers target growth after Transaction Network Services (TNS) confirmed it was launching its recently enhanced TNSLink for ATMs solution in Canada.

TNS, a leader in the ATM communications market for over 20 years, is establishing an in-country team based in Toronto and plans on dedicating significant resources to helping Canadian firms improve efficiency while reducing costs.

Lisa Shipley, Executive Vice President and Managing Director of TNS' Payments Division, said: "We are delighted to bring our enhanced ATM technology to the Canadian market. TNSLink for ATMs is an innovative service which has been designed specifically to meet the demanding needs of the ATM market in the payments industry.

"We manage the communications for over 100,000 ATMs globally, giving us key insights into the requirements, pain points and pressures the industry faces. As a result of this, we have designed TNSLink for ATMs to enable ATM operators and deployers to quickly revise their fleet locations to improve efficiency and establish an estate with limited resource commitment. We believe TNSLink for ATMs can reduce the total cost of ownership of ATM connectivity by up to 26%."

TNSLink for ATMs is a fully managed service which helps maximize uptime and reliability, while reducing capital and operating costs. TNSLink provides impressive device uptime through superior core network availability, hardware performance and multiple failover options.

New TNSLink for ATMs features include:

- An application to select and utilize the strongest signal which greatly improves the opportunity to deploy wireless ATMs successfully on the first attempt
- The ability to upload communications-related files to ATMs remotely, reducing the number and duration of onsite engineer visits
- 4G coverage in the majority of locations thanks to TNS' extensive relationships with telecommunication operators globally

Ms Shipley said: "I'm delighted to welcome Shaun Leech to TNS. Shaun will lead our Canadian sales and strategic efforts. Based in Toronto, Shaun brings with him a wealth of payments-related experience from his time with DC Payments, the INTERAC Association and IBM Canada."

Shaun Leech said: “I am looking forward to helping Canadian ATM operators and deployers reap the benefits of TNS’ technology and the advanced features that we can provide. The ATM industry in Canada is competitive and margins can be tight, so opportunities to gain efficiencies can play a significant role in helping deliver strategic advantages. My most recent role with DC Payments has given me a thorough understanding of ATM deployments both here and abroad, so I’m very familiar with the business objectives and targets our customers need to meet.”

TNSLink for ATMs can support all ATM types and can connect with DSL, wireless and build your own communications. This innovative technology can be set up with dual SIMs as well as wired with wireless backup to maximize performance. Flexibility is provided through TNS’ commercial structure, instant SIM management, and delivery of a ‘zero-touch’ and telco independent solutions. Crucial near real-time visibility into ATM fleet performance is also provided through our online, management tool TNSOnline.

TNS was founded in 1990 and has expanded to provide services in more than 60 countries across Europe, the Americas and the Asia Pacific regions. The organization has secured a strong payments heritage and is a Level 1 PCI DSS certified service provider and a global board member of the ATM Industry Association (ATMIA). TNS’ secure network is supported 24x7x365 by multiple Network Operating Centers around the world.

Transaction Network Services (TNS) is a leading global provider of data communications and interoperability solutions. TNS offers a broad range of networks and innovative value-added services which enable transactions and the exchange of information in diverse industries such as retail, banking, payment processing, telecommunications and the financial markets.
Founded in 1990 in the United States, TNS has grown steadily and now provides services in over 60 countries across the Americas, Europe and the Asia Pacific region, with our reach extending to many more. TNS has designed and implemented multiple data networks which support a variety of widely accepted communications protocols and are designed to be scalable and accessible by multiple methods.

http://www.paymenteye.com/announcements/enhanced-tns-solution-creates-growth-opportunities-for-canadian-atm-operators/

Hawk Incentives launches Mastercard prepaid incentive card for mobile wallets

Payments

9/27/17

Blackhawk's Digital Pass technology underpins the mobile wallet-enabled cards, which are exclusively available to Hawk Incentives customers, the company says. Digital Pass also enables marketers to connect loyalty programmes, gift cards and other offers to mobile wallets.

"The ability to connect your incentive or promotional reward to a wallet is a game-changing innovation," says Theresa McEndree, vice-president of marketing, Hawk Incentives.

"With our Digital Pass technology, we enable our clients to extend brand engagement with their mobile-minded consumers. Additionally, our virtual Mastercard combines great options in a single reward: recipients can pick an online or physical reward and can store, manage and make payments with the reward using their mobile wallet. This flexibility helps our partners to deliver the right rewards to the right recipients."

http://www.bankingtech.com/1004482/hawk-incentives-launches-mastercard-prepaid-incentive-card-for-mobile-wallets/

In the face of consumer scepticism, Worldpay develops SDK for IoT shopping

Payments

9/27/17

Worldpay Within is an embeddable payments agent that allows smart devices to make and take payments in much the same way as you would in a physical shopping environment.

The payments processor views the IoT as a potential new frontier for its business, with the number of connected devices estimated to reach 20 billion by the end of this year. The company is running a hackathon in Romania next month, where developers will be invited to create innovative new IoT-based payments applications using its SDK.

Worldpay's enthusiasm for the technology remains undimmed, despite publishing new research which indicates that consumers are less than enamoured with the prospect of their fridge or any other Web-connected widget automatically restocking supplies and making payments.

The study, conducted among 2000 tech-literate UK consumers, suggests that a mere 23% feel comfortable with a smart device ordering items on their behalf, and half say they cannot see the benefits of the convenience afforded by automated shopping.

Privacy emerged as the main barrier to adoption, with 78% of British consumers worried that businesses would share their personal data. A similar proportion (77%) showed concern about the prospect of devices being hacked by fraudsters.

Although the prospect of setting rules on spending limits, and what can and cannot be bought, goes some way to reassure consumers, a third of the sample remain steadfast in their belief that nothing would make them feel comfortable with automated purchasing.

Nick Telford-Reed, director of technology innovation at Worldpay comments: “Despite reservations, no matter if done by a human or machine, it is vital for consumers to remain in control when they’re delegating payment tasks. Our research has found that there should always be a conscious ‘act of consent’; be that via a device notification, button press or a pre-set rule like a spending limit, being agreed in advance."

https://www.finextra.com/newsarticle/31117/in-the-face-of-consumer-scepticism-worldpay-develops-sdk-for-iot-shopping?utm_medium=newsflash&utm_source=2017-9-

Sonic Drive-In has been breached

Payments

9/27/17

It looks like Sonic Drive-In has been breached — and possibly in a pretty big way. Sonic, at present, is at 3,600 locations across 45 U.S. states, and while the fast food chain has acknowledged the breach itself, it remains unsure just how many store payment systems have been affected. It does seem, according to reports from KrebsOnSecurity, that the breach has yielded a "fire sale" for stolen credit and debit card accounts on the dark web.

The first sign that a big breach had happened started last week in the Oklahoma city area, as reports started rolling out from financial institutions that they were seeing a wave of bad card transactions held together by a single commonality — they'd all been used at a Sonic recently.

Those stolen cards popped up in a dark web bazaar called Joker's Stash, and there were five million new cards on offer to purchase. At this time, however, it remains unclear whether Sonic is the only company whose customers' cards are being sold on Joker's Stash, or if (as reports indicated) those cards are being mixed in with those stolen from other eatery brands that may be compromised by the same attackers.

Shortly after, Sonic confirmed the breach. Christi Woodworth, vice president of public relations at Sonic, noted the investigation is in its early stages, and at this time they are unsure how many locations have been hit.

"Our credit card processor informed us last week of unusual activity regarding credit cards used at Sonic," reads a statement the company issued to KrebsOnSecurity. "The security of our guests' information is very important to Sonic. We are working to understand the nature and scope of this issue, as we know how important this is to our guests. We immediately engaged third-party forensic experts and law enforcement when we heard from our processor. While law enforcement limits the information we can share, we will communicate additional information as we are able."

According to a report from Reuters on Wednesday (Oct. 4), Sonic Drive-In believes a malware attack at a handful of its fast food locations may have been the reason hackers were able to gain access to customers' debit and credit card information. It is still unknown how many point-of-sale systems at its brick-and-mortar locations across 45 U.S. states were affected.

Sonic Drive-In stocks took a 2 percent dive to $24.73 in afternoon trading following the news. The company is currently offering free identity theft protection as a result of the data breach.

https://www.pymnts.com/news/security-and-risk/2017/uh-oh-looks-like-sonic-and-millions-of-cards-have-been-breached/

How a global gig economy adds complexity to payments tech

Payments

9/27/17

International sourcing is stressing businesses that are already too reliant on paper-based payment methods, argues Hyperwallet's Tomas Likar.

"When you look at domestic transactions, that's fairly easy and you have a bunch of options to choose from," said Likar, vice president of strategy and business development at Hyperwallet, which serves companies in the sharing or "gig" economy.

Such companies include freelancers, contractors and app-based workers such as Uber and Lyft drivers. The San Francisco-based mass payout company has traditionally focused on North American payers, but has recently opened offices in London and Sydney, with plans to shortly add an Asian office, to address what Likar said are expanding needs for international mass payments. Hyperwallet has clients that have expanded into as many as 30 new markets in the past year, Likar said.

The sharing economy is complex enough in one market, but international sourcing adds new challenges. "Once you get into country three or four or five, you have to open a new a bank account in each. It can get complicated," Likar said.

Even in a domestic market such as the U.S., which has the ACH system for fast electronic transfers, about half of businesses use paper methods such as checks to pay suppliers. There is no true interoperable digital payment system that connects all countries, making mass payouts more complex.

The rapid growth of the sharing economy means that many more people are starting to look like merchants, said Zil Bareisis, a senior analyst at Celent.

This means individuals may now require services to handle collections, payments, and sales support, he said. "Many of these transactions know no borders. A freelance photographer may have his or her photo picked up by a foreign publication, or a translator might be providing services to a company abroad."

"International payments provided by banks are usually too expensive," Bareisis said. "As a result, such individuals and the companies that pay them often rely on new a new type of specialist cross-border payments provider."

Tipalti, which manages tax compliance and processing, recently received an investment round to expand to new markets. And payments API provider Stripe is collaborating with Visa and Mastercard to provide payments within the same day. Payoneer has also been building partnerships to serve an increasingly international supplier payment market for the sharing

economy. Green Dot and Uber have added faster processing for contract and freelance workers at the ridesharing service through a collaboration.

Faster payments can add another complication as payees will demand payment in shorter intervals than the traditional two-week payroll period.

"The ability to reach as many individuals as possible through their preferred payment method is key, whether this is a checking account, a prepaid card, a mobile solution, etc.," said Sarah Grotta, director of the debit advisory service at Mercator. "Faster payment solutions that offer the ability to pay quickly and frequently is becoming more important."

Hyperwallet has partnerships with more than four dozen geographically dispersed banks to offer a payment network for independent contractors, freelancers and other suppliers, with the scale of the network supporting cost cuts. The network support multi-currency accounts for payees, branded Visa and Mastercard prepaid cards, and the ability to collect payee information from within the business' existing platform.

"With local banks, for example you can support a cash pickup and prepaid cards that allow people to receive funds and shop right away," Likar said.

Companies like Hyperwallet and Tipalti also offer compliance services, which can be complex for multi-currency payments that have a payor and payee in different countries.

"Every country will have unique payment networks and payment rules," said Tim Sloane, vice president of payments innovation at Mercator.

"They are also likely to have different requirements of what constitutes employment and for how the employer is to report earnings and manage taxes," Sloane said. "That in turn will make the employer look at solutions that support this range of issues."

https://www.paymentssource.com/news/how-a-global-gig-economy-adds-complexity-to-payments-tech

ISVs aren't likely to elbow ISOs aside any time soon, a panel of acquirers argues

Payments

9/29/17

With the rise of the independent software vendor, do traditional independent sales organizations still have a role to play—and if they do, what is it? That question may have been unthinkable a few years ago, but now some observers see ISVs shoving ISOs aside as they code new applications for merchant systems that include payment capability.

That picture is highly misleading, according to a panel of experts who spoke Thursday at an acquiring conference.

For one thing, as expert as ISVs may be in wiring and programming new POS gear, it's hard to replace the sheer sales experience ISOs have developed over decades of recruiting small merchants for banks, payments gateways, and processors, the panel said. "If you pair market expertise with some interchange-management expertise, you're not going to lose that merchant," said Todd Linden, chief executive at Paysafe Processing North America, which was known as Merchants' Choice Payment Solutions until its parent company was acquired this summer by Paysafe Group plc.

That means ISVs are more likely to work with a client merchant's existing ISO than replace the ISO. There's plenty of opportunity here. A study performed last year by First Annapolis Consulting found 49% of ISVs still don't integrate payments capability in their systems for small merchants.

The complexities of payments, including EMV chip card acceptance and the Payment Card Industry data-security standard, were cited in the study as among the biggest reasons ISVs don't include payments functions. But they could also be among the reasons an ISV would want to work closely with an ISO, according to the panelists, who spoke Thursday at the Western States Acquiring Association's annual meeting in Rancho Mirage, Calif. ISVs "are leaning more on ISOs to get the expertise they need," said Bom Lee, vice president of sales at North American Bancard.

As for merchants that don't have an existing ISO relationship, they will still be more likely to work with an ISO first, the panel said. "Technology will be sold by the ISO better and faster than by anyone else," noted Linden. "So there will be a continual place for the ISO." He cautioned the audience, though, to be careful in adopting technology sales. In some cases, investments in systems can outlive the systems' useful life. "Make sure you know the longevity of the products," he warned.

In cases where a client is working with an ISV, the panelists also advised ISOs to work closely with the programmers rather than shun them or compete with them. "A great play is to get close

to the ISV," advised John Badovinac, vice president of integrated payments at iPayment Inc. "Rent that expertise [to them], then help them do the blocking and tackling you have to do in payments."

Above all, ISOs shouldn't stray from their traditional techniques and shouldn't fear being displaced, the panel said. The marketplace, as usual, will render the final verdict. "That pounding-the-pavement mentality is still needed," said Lee. "Everyone wants to become an ISO, whether you're an ISV or some guy on the street, those guys will weed themselves out."

http://www.digitaltransactions.net/isvs-arent-likely-to-elbow-isos-aside-any-time-soon-a-panel-of-acquirers-argues/

Timex embeds bPay contactless chip into watchstrap

Payments

9/29/17

The Timex Fairfield watch comes with a £159 price tag and enables users to make tap-and-go purchases of £30 and under at over 490,000 locations across the UK. Wearers will also be able to track their spending, top up their balance, and take control of their contactless payments using the dedicated bPay app or website.

Duncan Harris, Timex UK sales and marketing director, says: “We are excited at the possibilities this technology offers consumers in payment solutions and will continue to work with our partners in bringing this to more of our collection."

The release of the smart timepiece follows a range of contactless innovations from Barclaycard including: launching the world’s first contactless car key with DS Automobiles earlier this month, partnerships with Tappy and DCK that embedded bPay into jewellery and watches, and a payments fashion accessories range with Topshop.

Tami Hargreaves, director of innovation and partnerships at Barclaycard Mobile Payments comments: “September marks the 10th anniversary of Barclaycard introducing contactless payments to the UK and our partnership with Timex represents another exciting way ‘touch and go’ technology can be simply and stylishly integrated into fashion and accessories.”

https://www.finextra.com/newsarticle/31126/timex-embeds-bpay-contactless-chip-into-watchstrap?utm_medium=newsflash&utm_source=2017-9-29

SECURITIES TECH

Invest AD partners with Calypso for integrated front-to-back solution

Securities

9/25/17

Calypso Technology Inc., a leading provider of software solutions for the financial markets, announced today that Invest AD, Abu Dhabi Investment Company, has selected the Calypso Integrated Front-to-Back solution to support its Treasury and Asset Management businesses.

By implementing Calypso, Invest AD will be replacing the existing investment solution, a legacy back office solution and several other in-house developed applications. "With Calypso, we have an end-to-end solution that can streamline our investment process, improve our STP and benefit from a unique functional coverage to facilitate the growth of our treasury and asset management business on one platform," asserts Ms. Fatema Jumaa Al Junaibi, Acting Head of Operations. "Following an extensive selection process, Calypso stood out as the most comprehensive solution for our needs. In addition, Calypso is a robust platform that we can leverage for more functionality in the future."

"We are delighted to be working with such a well-respected company in the Middle East and to help deliver operational efficiency, improve investment performance and reduce the total cost of ownership," states Edmond Tehini, Managing Director, Middle East.

http://www.prnewswire.co.uk/news-releases/invest-ad-partners-with-calypso-for-integrated-front-to-back-solution-647542433.html

BNP Paribas Asset Management is upping its private debt game

Securities

9/25/17

The asset management arm of BNP Paribas has announced a successful close of a private debt CLO (Collateralised Loan Obligation), worth €361m and is gearing up for more,

The securitisation, named BNPP AM CLO 2017, holds a portfolio of syndicated leveraged loans to European corporates and is BNPP AM's fourth new generation CLO two in Europe and two in the US, confirming its position as a major player in the loans and CLO markets.

BNPP AM CLO 2017 B.V. portfolio consists of a minimum of 95 per cent of secured senior loans, with the balance made up of unsecured loans, second-lien loans, and mezzanine loans. Six classes of notes issued by BNPP AM Euro CLO 2017 are rated by Moody's and Fitch Ratings.

The deal was structured and syndicated by BNP Paribas Corporate and Institutional Banking. All tranches of the CLO were successfully placed with a range of institutional investors from Europe and Asia. Part of the issue was retained by BNPP AM, including the regulatory vertical risk retention in line with the EU's Capital Requirements Regulation.

This new CLO is managed by BNPP AM's Global Loans team, headed by Vanessa Ritter. It specialises in investing in leveraged loan financing, through managed accounts and CLOs. It is also a market leader in middle market corporate financing in Europe, having launched the Novo fund in 2013.

The Global Loans team is part of the Private Debt & Real Assets investment group that was created last June and also includes SME (small and medium-sized enterprise) lending, structured finance, real estate debt and infrastructure debt, as well as the SME direct lending platform.

David Bouchoucha, head of private debt & real assets at BNP Paribas Asset Management, says "the successful closing of BNPP AM Euro CLO 2017 confirms BNP Paribas Asset Management's leading position within leveraged loans and its intention to be a repeat issuer of CLOs. This is in line with our overall strategy to provide clients with a broad range of private debt solutions and to adapt to their needs".

http://www.altfi.com/article/3544_bnp_paribas_asset_management_is_upping_its_private_debt_game

FastMatch launches consolidated central tape for Forex Market

Securities

9/25/17

FastMatch, Inc., the FX ECN platform which was recently acquired by Euronext, today revealed its central tape for FX, a new market data product that aims to increase market transparency and help traders evaluate best execution performance.

The new solution is modelled on similar projects for other asset classes such as equities, and consists of ECNs, banks and other financial institutions engaged in the FX market, to provide a last-sale data feed with price, size and timestamps. The idea itself makes sense due to the decentralized and international nature of the FX markets, and the lack of a single regulatory authority sitting above it.

The intention is to set up FX Tape as a "central reference point for Spot FX transacted prices helping market participants evaluate best execution performance."

Participation will be voluntary under an open access model, with FX Tape offering commercial incentives to encourage ECNs to contribute data. This includes allowing contributors to obtain a percentage of the net revenue generated by FX Tape according to the volume they contributed with.

In other words, ECNs and other contributors will get more credit the more trades that they provide, which creates a financial incentive for a diversified set of participants to start reporting.

By default, the trades will be collected in aggregated and delayed fashion to minimize market impact, and possibly to reduce costs compared to the case where those trades are disseminated in real time. While the service will consolidate data from several resources, the product will be distributed to market participants and vendors via FastMatch's and Euronext's distribution networks.

In order to compete with other ECNs that already provide market data, such as EBS and Thomson Reuters, we may expect the new product to provide FX data at less cost, at least to bring it in line with what is available for market participants.

Commenting on the launch, Dmitri Galinov, CEO of FastMatch, said: "FX Tape is a significant stepping stone to building a more transparent market globally while providing a way for market participants to monetize their trade data. This product is the culmination of three years of dedicated effort."

https://www.financemagnates.com/institutional-forex/execution/fastmatch-launches-central-tape-forex-market/?utm_source=daily_newsletter&utm_medium=email&utm_campaign=26.09.17

The $1T milestone advisors won't be celebrating

Securities

9/26/17

Robo advisors are neither going away, nor are they dying off.

Instead, they will get much stronger, expected to collectively top $1 trillion in assets under management in fewer than five years.

The booming popularity of micro-investing firms will partly feed such growth. With over 60% of millennials already subscribed to apps like Acorns, the sector will expand as they devote more money to investing, reports Boston-based consulting firm Aite Group.

"Digital advising will become less focused on Generation Y and begin to resemble the traditional investor," says Javier Paz, a senior analyst with Aite and the author of "U.S. Digital Advice," a study released in September.

Robos will become the norm within a decade, he suggests, joined by virtual assistants like Amazon's Alexa and Apple's Siri, as comfort with automated investing increases.

The research estimates AUM from robo advisors will hit the $1 trillion milestone by 2020 and will rise to $1.5 trillion the following year. Taking a conservative approach, the research did not account for AUM on upcoming digital platforms by Morgan Stanley, Wells Fargo, and UBS expected later in 2017.

"We're being bombarded with digitization," Paz says. "This is just one more form."

The firm conducted a year-long study that wrapped up in July. As part of their research Aite interviewed industry executives from some of the industry's largest firms and analyzed public filings. (The study projected its 2017 data).

https://www.financial-planning.com/slideshow/the-1t-digital-advice-milestone-advisors-wont-celebrate

CFH Clearing offering Bitcoin Liquidity through MT4

Securities

9/26/17

Amidst red-hot cryptocurrency demand, CFH Clearing has become the latest venue to offer liquidity in Bitcoin trading through FIX and MetaTrader 4 (MT4). The group's initial offering entails Bitcoin contracts-for-difference (CFDs), with an expanded cryptocurrency suite already planned.

Bitcoin CFDs and other cryptocurrency instruments have caught on fire in both the retail and institutional space. With high volatility and recently seen peaks, cryptocurrencies have quickly become a staple element of many offerings. On CFH Clearing's part, the new offering will feature a CFD product without the need for clients to maintain a wallet.

Matthew Maloney, CEO, CFH Clearing, commented: "With demand for Bitcoin at an all- time high, we wanted to offer much more than a cryptocurrency price feed to clients but provide a venue for them to offload some of the risk, too."

CFH Clearing has its sights already set on other cryptocurrencies as well, and while liquidity will only include Bitcoin initially, the group will soon be supporting Ethereum, Litecoin and Dash. CFH Clearing can accomplish this feat rather quickly, pending future demand and integration directly with crypto exchanges.

Per the new launch, CFH Clearing's clients will be able to access crypto liquidity through all proprietary platforms as well as third party technology partners. "Cryptocurrencies are a risky asset and brokers have been struggling with where to hedge them. Our new offering stands out in the market, addressing this issue and creating a very attractive product for our clients," explained Mr. Maloney.

For CFH Clearing, the rollout represents its second product announcement in as many weeks, having just launched an MT5 platform for its clients.

https://www.financemagnates.com/cryptocurrency/news/cfh-clearing-offering-bitcoin-liquidity-mt4/?utm_source=daily_newsletter&utm_medium=email&utm_campaign=26.09.17%20-%20

RBC's stab at fixing what's broken in personal financial management

Securities

9/26/17

Royal Bank of Canada is poised to launch an artificial-intelligence-based financial guidance and savings module in its banking app. The bank hopes it will be the breakthrough technology that finally makes personal financial management software popular.

For years, banks in the U.S. and Canada have struggled to interest customers in PFM apps, which attempt to categorize their expenses, show them where their money is going and help them manage their money more wisely. Usage of such apps has never surpassed 10%, according to the tech research and advisory firm Celent.

Why so low? It's hard for software to automatically (and correctly) categorize expenses, yet it is a pain for users to do it manually, too.

"It's been a similar experience in PFM at RBC to the American banks — you get a small number of customers who are heavy classifiers of transactions," said Peter Tilton, RBC's senior vice president of digital.

Another challenge is that consumers lack the patience to use separate banking, PFM and perhaps investment products to manage their finances.

"Fragmentation in personal finance is an issue; most people don't want to jump from app to app," said Daniel Latimore, senior vice president of banking at Celent.

RBC's new module, which is called NOMI (a play on "know me") and based on Personetics' Cognitive Banking technology, uses predictive analytics and artificial intelligence to provide timely insights to customers — or "nudges" as Tilton calls them. Wells Fargo is working on a similar program with Personetics.

"It will tell you you've been paid, but it will also tell you if your pay has changed, and it prompts the customer to have a look at their paycheck just to make sure it's correct," Tilton said. "That's very different to a process of having to sit down on a mobile device or desktop and sorting, sifting and classifying."

Customers will receive alerts that there have been duplicate debits on their credit cards, or that their cards have been used at new merchants.

"I had one come up the other day, that I spent money in the Hyatt in New York," Tilton said. "NOMI told me, you've never spent money at this hotel before, just check that this is you."

The app also provides monthly snapshots of fluctuations in utility bills and other spending items.

RBC has been piloting NOMI with a small group of customers and plans to offer it to all mobile customers shortly. It will be integrated with the existing mobile banking app, so every customer will have access to it – one in nine Canadians with smartphones.

About 85% of customers in the pilot actively use it.

Difference maker: Automatic savings

Along with the customer insights, the new offering comes with an optional feature called NOMI Find and Save. It looks through historical behavior patterns, forecasts for the weeks ahead how much money customers will need for basic living expenses and then squirrels away surplus cash into savings.

Several fintechs, including Qapital and Digit, provide savings apps that also do this.

RBC has an advantage in that the automated savings are baked into the banking app, Latimore said.

“Eliminating steps in the savings journey by having functionality embedded in the customer’s main banking app will, all else equal, lead to better outcomes,” Latimore said.

Tilton sees the benefit as convenience.

“It takes away the hassle for the customer about thinking about, I really should be saving more, it does it for them automatically,” he said.

The No. 1 source of stress among Canadians is finance, Tilton said. Many live paycheck to paycheck.

“It’s significantly higher than relationships or other types of problems,” he said.

Tilton said the new app was born out of wanting to ease those anxieties and give them control over their everyday financial picture.

Customers who have a one-off expense coming up, such as an important birthday or anniversary, can hit a “pause” button and the automatic savings will stop until they reactivate it. They can transfer funds from the savings account back into their primary account to make the payment, too. Moreover, there’s a cushion built in to help customers handle smaller, unexpected expenses.

“Rather than looking at the rearview mirror, which is what pretty much all the PFM and money management tools do now, it’s a look out through the front windshield to model ahead with your

customer about what their spend is going to look like and help them with savings," Tilton said. "We think it will be very helpful to customers to increase their overall financial well-being."

There are no fees for the service. Yet obtaining a budget to develop an app designed to produce no revenue wasn't a problem, according to Tilton.

"I'm not Canadian, so I can say this with a reasonable degree of impartiality: Compared to other banks I've worked at, RBC does care, and a core part of its strategy is to helping communities prosper," Tilton said. "It's refreshing to work for an organization that's happy to be focused on doing what's right for our customers and community and has faith that that will help create a more sustainable bank."

The AI inside

According to David Sosna, co-founder and CEO of Personetics, NOMI uses two main algorithms.

The first assesses users' financial situation, including their cash flow.
"A lot of things are calculated for the user, and there's a capability to predict the best way to provide value for the user," Sosna said.

The second algorithm runs constantly, looking for opportunities to recommend and conduct money transfers.

"That algorithm is mostly around when is the best time to do it? Or more accurately, when can you do it without interfering with the life of the user?" Sosna said. "As the user responds to that transfer, the system learns from that, so the next time it will be better, more timely and more accurate."

Machine learning lets the software continuously improve its insights and automatic savings.

RBC also has a development team dedicated to AI insights that expects to release new features every five or six weeks, working with Personetics.

NOMI belongs to a rising category of "personal financial experiences" apps, Latimore said.

"The first generation of these apps will have parts that work that work really well, and other aspects that need to be adjusted," Latimore said. "Those banks and suppliers that can monitor what works and what doesn't, and then adjust the experience accordingly, will be the ones that develop the most successful PFE over time."

https://www.americanbanker.com/news/rbcs-stab-at-fixing-whats-broken-in-personal-financial-management

Only three per cent of advisers offer robo-advice

Securities

9/26/17

Although robo-advice may be popular enough to be put into the dictionary, not many independent financial advisers actually offer automated advice.

Only three per cent of 162 advisers surveyed said they offered fully automated wealth management services, the research found.

The study, which was conducted by research firm Platforum on behalf of JP Morgan, also found that only 14 per cent plant to implement it in the next two years.

Many surveyed said automation just didn't fit their business model or clientele. Another reason is the cost. Respondents said automation took too much time to implement and were also concerned about security, integration, and cost.

Those who plan to offer robo advice will do so to diversity and automate smaller portfolios.

Speaking at a Money Marketing panel about the study, JP Morgan Asset Management managing director Jasper Berens said technology provided many opportunities for the sector.

"It is a golden age for advice," he said. "You have got eight million investors through automatic enrolment. They will have a decent chunk of money and they will want some advice around it."

The banking giant is in the midst of developing its own robo-advice platform in the US, according to CEO Jamie Dimon's annual letter to shareholders.

Other banks have also ventured into the sector, such as Wells Fargo and Santander UK. In the US, Bank of America's Merril Lynch is launching a service this year, and Citigroup invested in the largest robo adviser, Betterment.

http://www.altfi.com/article/3553

Vietcombank Partners with Thomson Reuters for FX trading needs

Securities

9/27/17

In a sign of the growing important of FX trading in Asia, Vietcombank has announced that it has chosen Thomson Reuters Electronic Trading (ET) platform to help its business in Vietnam.

FX trading is a growing industry in Southeast Asia, and companies are willing to invest in premium products to improve the efficiency and the effectiveness of their trading.

The report says that FX trading has grown 21 percent in Asia since 2013 and a large part of this volume comes from Southeast Asia. With such an evolving market, banks need a flexible platform with hedging and advanced pricing capabilities.

Mrs. Nguyen Thi Kim Oanh, Deputy CEO of Vietcombank, said: "As the leading financial institution in Vietnam in FX and money market transactions, Vietcombank is one of the first financial institutions in Vietnam to select Conversational Dealing within Thomson Reuters FXT and Electronic Trading platforms for our interbank dealing with both domestic and international counterparties. We believe this fruitful partnership will continue in the future, as we achieve our target of joining the ranks of the top global 300 leading financial institutions."

The ET platform helps banks and other financial institutions structure and configure FX prices according to the needs of their clients, and offers advanced risk management tools too.

https://www.financemagnates.com/institutional-forex/execution/vietcombank-partners-thomson-reuters-fx-trading-needs/?utm_source=daily_newsletter&utm_medium=email&utm_campaign=27.09.17

SEB and Nasdaq to collaborate on blockchain-based funds platform

Securities

9/27/17

The aim of the project is to increase efficiency in the processing of fund units on behalf of the Swedish bank's clients by connecting all parties to a trade to a a distributed database in which all transactions and changes are registered among all participants in real-time.

In the absence of a central depository, the purchase and sale of fund units in the Swedish market is currently characterised by manual routines, long settlement cycles and paper driven processes.

"With the help of a blockchain we can create a faster, simpler, more effective and reliable fund market," says Göran Fors, acting head of Investor Services at SEB. "Funds are increasingly important for our clients and it is with great pleasure that we can announce this important project together with Nasdaq."

The cooperation agreement entails that SEB and Nasdaq will continue to develop the technology with the end goal of creating a working prototype, which will be based on the Chain.com blockchain ledger. In addition, the two parties have opened a channel for collaboration with additional interested parties on building a uniformed market infrastructure for Sweden's fund market.

Last month, SIX Swiss Exchange announced that it is to investigate the prospect of using distributed ledger technology in its over-the-counter structured product business as part of its long-standing trading technology contract with the US exchange.

https://www.finextra.com/newsarticle/31116/seb-and-nasdaq-to-collaborate-on-blockchain-based-funds-platform?utm_medium=newsflash&utm_source=2017-9-27

Wells Fargo research analysts invent their own AI replacement

Securities

9/28/17

At a time when nearly everyone's considered whether their job is susceptible to automation, Wells Fargo research analysts have gone and developed a bot -- to do research and analysis.

A group led by Ken Sena introduced AIERA, short for artificially intelligent equity research analyst, in a note to clients Wednesday. "Her" job, quite simply, is to help the team do theirs.

"AIERA's primary purpose is to track stocks and formulate a daily, weekly and overall view on whether the stocks tracked will go up or down," Sena, head of internet equity research, said.

Not to worry, Sena and team say, they aren't going anywhere.

"View AIERA as enhancing vs. replacing," they wrote. "While AIERA does exceed us in capturing and analyzing publicly available data, we like to think we still have an ability to engage in frameworks/themes."

In fact, the human analysts say, the months spent developing the bot, which involved working with Bryan Healey, one of the data scientists involved in Amazon.com's Alexa, helped them deepen their understanding of the "artificial intelligence and machine learning capabilities" used at many of the internet companies they analyze.

For now, AIERA's not picking stocks in the traditional sense, though the researchers note that she's only six months old. Already, though, her "validity tests continue to indicate above average."

https://www.dig-in.com/articles/wells-fargo-research-analysts-invent-their-own-artificial-intelligence-replacement

SPECIALTY FINANCE / ALTERNATE LENDING

Amplify credit union turns up tech focus with move to Fiserv

Alternate Lending / Specialty Finance

9/19/17

Fiserv, Inc., a leading global provider of financial services technology solutions, today announced that Amplify Credit Union, based in Austin, Texas, has selected Fiserv as the new foundation for its member-centric technology strategy.

Amplify will convert from its current core provider to DNA(R) from Fiserv. Amplify needed a modern, member-centric architecture that will allow the credit union to maintain a sharp understanding of its members as it drives toward progressive member relationship management goals. The credit union will use these features, along with the platform's lending capabilities, to progress its commercial and small business service and real estate lending arms as well.

Amplify has approximately $870 million in assets and more than 56,000 members in the greater Austin area, served by eight branches. The credit union opened in 1967.

"There is nothing more critical than our relationships with our members, " said Kendall Garrison, executive vice president, Amplify Credit Union. "Technology that provides insight into their needs is essential to achieving our goal of making members' lives simpler. DNA is purpose-built to do this, and we are looking forward to partnering with Fiserv as we work toward sustained growth."

DNA allows credit unions to gain deep insight into members' financial lives by presenting a 360-degree view of their complete relationship with the credit union. This allows credit unions to enhance service, customize offers, and better understand overall opportunities. Importantly, this helps credit unions to maintain strong member relationships even at considerable scale.

"Fiserv is proud to provide the technology and expertise that powers growth-minded credit unions," said Vincent Brennan, president, Credit Union Solutions, Fiserv. "Amplify is a prime example of this progressive technology outlook. We are looking forward to partnering with them as they take the power of DNA and apply it to create real growth."

Fiserv is the U.S. market leader in account processing services, and more than one-third of U.S. financial institutions rely on Fiserv for account processing solutions and expertise. In a world that is moving faster than ever before, Fiserv helps clients deliver solutions that are in step with the way people live and work today -- financial services at the speed of life.

http://www.barrons.com/articles/PR-CO-20170919-908364

How Marqeta uses cards to power disruption in Lending

Alternate Lending / Specialty Finance

9/26/17

Neither a borrower nor a lender be, the saying goes. Although in a perfect world that might be the way to live life, we live in a world far from that.

Instead, we have many would-be borrowers and like-to-be lenders hamstrung to deliver the services that put money into the hands of borrowers, build loyalty with lenders and deliver the data that helps both make better, smarter, risk-based decisions about future borrowing opportunities.

There's a card for that, says Marqeta VP Salman Syed – a card that alternative lenders can issue to their borrowers and on which they can deposit loan proceeds immediately. Syed says that helps build loyalty between those borrowers and lenders, who now can be better business partners.

The power of now

Much of what is pushing the progress in alternative lending, Syed noted, is the pervasive power of immediacy. Lengthy underwriting processes that leave customers languishing and waiting for funds aren't workable in the mobile era, where things – just frankly – move more quickly.

"A major pain point in lending is solved by the ability to issue funds immediately to borrowers via card," said Syed. "The macro trends of consumers on their phones means that, with Marqeta, a lender can bring a customer on board and we can then instantly issue a virtual card and provision that card right into any digital wallet. So, essentially, we are enabling lenders to make the 'last mile' of extending their loan to a borrower seamless and instant."

Lenders can get real-time information about where the consumer is, what are they are spending and what merchants they are frequenting – something that traditional providers of working lines of credit simply can't get. With that real-time information, lenders can also implement and monitor controls to make sure money loaned is spent correctly. In fact, online lenders are even able to incent specific spend behaviors with a Marqeta-powered card, all the while reducing their risk of default.

This changes the game for lenders – and it's all possible because they are receiving a ton of data on borrower spend that they can then analyze and use to adjust their fraud and underwriting algorithms. That input is critical to helping lenders decide whether they will renew or extend additional credit, and how they will price future loans.

The magic of the data

Lending is just one of the use cases that comes to life when any company can in effect become an issuer of a credit, debit or prepaid card. Marqeta's platform – a full-stack, next-generation

processor – makes that possible. And in the case of lending, Syed said, it creates the transparency that lets Marqeta's lender partners get more – and accurate – data. With that, they can then iterate and refine their products.

"Customers' needs – particularly small business customer needs – can be particularly volatile," noted Syed. Borrowers find themselves at a tradeshow facing a massive potential savings to make a "one-shot" deal, but without the ability to respond in the moment, that deal could die if the borrower doesn't have sufficient credit available.

"We offer lenders the ability to turn that card on for the right amount of funds at the right moment when the customer needs it," Syed explained.

Expanding the service offering

Marqeta's platform, Syed said, was built to give lenders that capability – the features that help them offer better, tailored experiences that customers expect, but often don't get.

For example, a common issue for SMB lenders, he noted, is that once a loan is made, the lender doesn't have access to where the funds are deposited and spent – or much control to make sure the money is going where it is intended to go.

For the protection of the lender, Marqeta's JIT Funding feature gives them input into whether or not a borrower's transaction should be authorized. Let's say that the borrower swipes her card in-store or online – within a fraction of a second, Marqeta unbundles the ISO8583 message and converts it to a message the lender can understand, and then act upon.

Whatever the decision, the message is sent back to Marqeta and the transaction proceeds as instructed. The whole process takes place in a fraction of a second, so it is largely invisible to the merchant or cardholder, but creates a very meaningful experience behind the scenes.

https://www.pymnts.com/news/alternative-financial-services/2017/marqeta-digital-disruption-online-lenders/

French fintech lender Younited Credit is the next big platform-turned-bank

Alternate Lending / Specialty Finance

9/26/17

French marketplace lender Younited Credit closed a €40m investment round, with Bpifrance – best described as France's public investment bank, or sovereign fund – taking the lead. The money will be used to fund the platform's expansion across Europe. As of today, Bpifrance is Europe's biggest technology investor, investing via both venture capital funds and directly in high growth companies. Younited Credit won itself a direct investment. But why?

It may have something to do with the fact that, over the past two years, the platform has quietly been becoming a bank. Speaking with AltFi, Younited Credit co-founder and CEO Charles Egly (pictured) explained.

"We finance the loans we grant either through our SPVs – part of the platform model – or we finance those loans through term deposits that we raise, a balance sheet approach. We have two ways to raise term deposits, either directly through institutional investors, or we go through Raisin."

In the latter case, the deposits come from retail savers, primarily based in Germany, but also from those living in Austria and France.

Raisin is another fintech firm, a deposit marketplace that has recently been in the news for acquiring Manchester-based PBF Solutions as its route into the UK market. Raisin has attracted €4.3bn of depositor cash over the past four years. The firm is partnered with 40 banks and financial institutions across Europe, and allocates deposits across those partners' savings products. Younited Credit is one of those 40 partners – the only one that can reasonably be described as a fintech.

Younited Credit is licenced as a European credit institution, meaning it must hold a minimum of €5m in regulatory capital. This licence can be passported to all EU countries, including the UK, subject to the approval of the European Central Bank. Egly claims his firm is the only online lender in either Europe or the US to hold such a licence. Younited Credit is the only French startup to have been granted the licence in 15 years.

Younited Credit began accepting deposits in the Summer of 2015. Part of the rationale for doing so was because of a planned launch in Italy in April 2016, followed shortly thereafter by an expansion into Spain.

"We wanted to grow very fast in our new countries, and if you want to grow fast you have to get rid of the investor constraint," said Egly, explaining that in a new country, with no track record,

it's hard to find new P2P investors. In the case of Younited Credit, as mentioned above, P2P investment flows via one of a number of SPVs.

Deposits are becoming an increasingly important part of the mix for the platform. 25 per cent of its loans are now funded using depositor cash. Asked whether he sees becoming a bank, or at least becoming bank-like, as the only sustainable method for a fintech lender to fund loans, Egly was somewhat evasive. "To me, what matters is the hybrid approach, through SPVs on one side, and through your balance sheet on the other side," he said.

Egly, formerly a banker at BNP Paribas, points to the actions of another bank as vindication for the direction his platform is headed in.

"We really believe in the hybrid model," he said. "I've recently seen many papers from Goldman Sachs, and for their retail strategy [Marcus] they are also using term deposits."

There is no denying that Marcus, Goldman Sachs' online lending and deposit platform, is a major part of the investment bank's plans. So much so, in fact, that Goldman expects to hold $28bn of online loans on its balance sheet by 2020, from a standing start in late 2016.

While Egly prefers to emphasise the hybridity of Younited Credit's approach, its plans for product expansion again seem rather bank-like.

"We're thinking about mortgages, but maybe not in France, because the interest rates in France are super low. But potentially in Italy. We are also thinking about auto-loans and debt consolidation. Debt consolidation loans will be mostly in Spain or Italy."

The bulk of the firm's loans today are used to fund consumer purchases, such as the purchase of equipment for home refurbishment.

Younited Credit has lent a grand total of €560m to date, according to AltFi Data. Its unique ability to pair deposits with advanced lending technology make it a formidable rival for Europe's online lenders. But the UK's incumbents can sleep easy, for now at least. Egly says that an expansion to the UK is not currently on the cards, owning chiefly to Brexit risk.

"The UK is by far the biggest country [in Europe] in terms of consumer loans, but the Brexit risk is here, and it could increase the unemployment rate," he explained. "And an increase in the unemployment rate is the single biggest risk in consumer credit – far more important than the level of unemployment. The outlook for Europe is much more positive. But that's just our outlook, maybe we'll be wrong – it's very hard to predict."

http://www.altfi.com/article/3548_french_fintech_lender_younited_credit_is_the_next_big_platform_turned_bank

Currency exchange fintech expands into credit

Alternate Lending / Specialty Finance

9/27/17

Fintechs, it would seem, cannot sit still. Currency exchange app WeSwap has become the latest fintech to branch out into pastures new.

The firm has launched an overdraft-like solution for its users. The product is powered and funded by FlyNowPayLater, a specialist travel lender, and is interest-free if repaid within 30 days. Beyond that point, it will cost travellers in the region of 18-19 per cent per annum.

Asked whether the launch signals a move towards becoming a bank, WeSwap CEO Jared Jesner said that he was more focused on “offering value to the traveller”. He said that an e-money licence might be a more logical next step, or perhaps a credit licence.

Another area of potential expansion for the firm is to allow its own users to lend to each other – effectively a peer-to-peer lending solution. This is only a concept at present, but Jesner says that it would likely include some kind of “guarantee”.

In the short-term, WeSwap will be working on building more budgeting and analytics functionality into its product, with a view to identifying gaps that its new credit solution could help to plug.

The company has also provided an update on its recently launched cash product, which delivers cold hard cash directly to its customers’ doors. Since June, over £5m in cash has been ordered via the app.

WeSwap’s core business is to allow users to swap currencies online ahead of travelling. When users upload money to the app, it sits with issuing banks. When somebody needs to exchange from, say, pounds to euros, WeSwap’s technology identifies a user who is in need of the reverse trade, and simply swaps around the ownership of the funds in each underlying bank account. WeSwap itself holds and hedges cash in order to fill demand when its user-base cannot.

For swapping currency instantly, users will be charged 2 per cent over the interbank rate. If they can wait a week, it’s 1 per cent over the interbank rate.

WeSwap is partnered with CityForex on the cash-to-door product. For amounts of £700 or more, delivery is free. Under that, it costs £6. Jesner told AltFi that users value the safety of having cash in their pocket, even if they could take it out for free while abroad (using the WeSwap card). The cash delivery product also allows WeSwap to access customers who may not have felt comfortable with its online service.

"Following the huge success of the WeSwap Cash launch we're now working on integrating cash into our core app – allowing travellers to "cash out" part of their WeSwap card balance, so they can carry some of their spending money in notes, or on the WeSwap card," he said.

Revolut, one of the best-known currency exchange apps, has been expanding its own product set at a feverish pace since the start of the year. Only this morning, it announced a new mobile phone insurance product, after having already branched out into consumer credit and wealth management.

http://www.altfi.com/article/3554_currency_exchange_fintech_expands_into_credit

Digitization of SME Finance is a win-win for all

Alternate Lending / Specialty Finance

9/28/17

Globally, access to finance remains one of the most significant constraints to the growth, productivity and even survival of SMEs – and to the critical jobs they create. The SME credit gap is both a demand and supply side problem. On the demand side, many SMEs cannot get access to credit because bankers cannot see the critical information they require to assess creditworthiness. To most bankers, this means they lack financial documentation, business plans, collateral, etc. On the supply side, banks thus consider SMEs as high-risk and unsuitable to serve at interest rates they're able to charge. For these two reasons, banks often prefer to lend to larger firms. Limited SME conventional documentation and through paperwork and through conventional credit reporting service providers makes this a big problem everywhere, but particularly in emerging markets.

The increasing digitization of SME finance, and of the potential supply of alternative data it provides, offers an opportunity and solution to both the demand and supply side of the credit gap. By 2020, the world's stock of digital data will double every two years. Rising mobile usage, cloud-based services, big data, electronic payments, and exponential use of social media will fuel this increase. What is important to note is that by 2020, 60% of the global stock of digital data will be contributed by developing economies. So what can this mean for SMEs in emerging markets that currently face constraints in accessing finance?

Digitizing SME finance can lead to greater and better opportunities for banks as well as SMEs, and nowhere will this be more apparent than in emerging markets. On the supply side, lower costs and rising use of smartphones are helping SMEs produce transactions and accounting information in a cheap and timely fashion. New apps make financial management, customer management and supply/value chain management tools affordable to smaller and smaller firms. On the demand side, that new data plugs into advances in analytic and processing capabilities for the bankers, fueling the spread of new data-driven intelligence for initial decisioning and for portfolio management. This lowers transaction costs to acquire SMEs, and to serve them.

The greater digital footprint of SMEs also leads to a proliferation of technology-focused alternative SME lenders using this treasure trove of digital data. These alternative lenders focus on new data and analytics to decrease costs associated with loan origination and collection, showing the profitability of the SME market. They show banks that, without innovation, they can lose this SME market.

At the same time, we are starting to see an alternative to being disrupted by the alternatives – new partnerships between banks and FinTechs. These partnerships allow banks a fast and convenient way to innovate their product offerings and better serve their SME customers. Banks can vastly improve their customers' experience with lower capital expenditures if they can learn

how to “plug in” FinTechs into ongoing operations. The FinTechs also benefit as they gain access to the banks’ large customer base, existing infrastructure and lower costs of capital.

As we can see, digitizing SMEs’ finances holds immense potential, both for SMEs and for SME lenders. By leveraging the opportunities fully from greater digitization, we can help 180-220 million SMEs in developing markets that currently have unserved or underserved credit needs totaling trillions of dollars. At the Global SME Finance Forum 2017 taking place November 1-3 in Berlin, Germany, we will be discussing the various opportunities the digitization of SME finance offers, and how banks, FinTechs, DFIs, credit bureaus, regulators and others can benefit from this revolution in finance.

https://letstalkpayments.com/digitization-of-sme-finance-is-a-win-win-for-all/

AutoGravity surpasses $ 1 billion in finance amount requested, launches real-time dealership inventory nationwide

Alternate Lending / Specialty Finance

9/29/17

AutoGravity, a FinTech pioneer on a mission to transform car shopping and financing, today announced that it has reached $1 billion USD in finance amount requested on the AutoGravity platform. Additionally, AutoGravity has announced the launch of real-time inventory for new and used cars from partner dealership groups across the nation. Car shoppers can browse real vehicle inventory on dealership lots, find the specific car that's right for them and secure up to four finance offers in minutes on the AutoGravity smartphone app.

More over 750,000 car shoppers have downloaded AutoGravity, collectively requesting over $1 billion USD in financing. These users can now search inventory by car brand and model year – as well as characteristics such as body type, drivetrain and color. Car shoppers can find their desired car waiting for them on the showroom lot for the payment they want. With car selected and offers in hand, users can pick up their car and drive off the lot with the confidence of knowing they have secured a fair deal.

AutoGravity partnered closely with the largest dealer groups in the country to design a seamless process by which dealers can easily load inventory feeds, including vehicle details and pictures, to AutoGravity's secure platform. Inventory is updated and shown to users in real time.

http://lending-times.com/2017/09/29/friday-september-29-2017-daily-news-digest/?utm_source=Lending%20Times%20entire%20list&utm_campaign=81295c86c9-RSS_EMAIL_CAMPAIGN&utm_medium=email&utm_term=0_09c1a2f6b3-81295c86c9-104933525#heading-6

DATA & ANALYTICS / IoT

Cisco introduces transformational systems management platform and strategy for its systems

Data & Analytics / IoT

9/21/17

Cisco today unveiled Cisco Intersight(TM), a management and automation platform for Cisco Unified Computing System(TM) (Cisco UCS(R)) and Cisco HyperFlex(TM) Systems, marking the start of a multi-year strategic program to provide customers with clear IT advantages that support their competitive business goals. Cisco Intersight simplifies data center operations by delivering systems management as-a-service, alleviating the need to maintain islands of on-premise management infrastructure. Complete system lifecycle management is delivered by Cisco Intersight through machine learning, analytics and automation.

Today, most IT organizations are adopting a multicloud strategy, and as a result customer need a scalable and consistent management environment across their data centers, private clouds and public clouds deployments. Customers also seek consistent management and policy enforcement across bare metal server environments, converged infrastructure and hyperconverged infrastructure. Cisco Intersight will deliver the unique ability to connect and manage all of these comprehensively.

Application architectures are also transforming with scale-out and multi-site deployment models, delivered by containers and micro-services. In addition, DevOps accelerates the rate of application development and continuous feature delivery. Cisco Intersight addresses these challenges, helping IT staff optimize operations while enjoying a more intuitive user experience.

According to Gartner, "The growing large quantity of configuration data points and connections aggregated from data center deployments, edge, cloud and IoT will increase IT ops complexity, countering trends in software-defined simplicity."(1)

Cisco has invested years of research and development into software innovations to bridge these gaps. With the cost of an unplanned data center outage estimated at thousands of dollars per minute, and the extraordinary costs of corporate security breaches, often due to human error, IT leaders welcome new advances in intelligent automation. Customers are already participating in an engineering preview of the Intersight platform, connecting thousands of UCS and HyperFlex systems for testing and feedback.

"Organizations that move to cloud-based systems management platforms will find that service delivery quality is significantly improved, the overall risk to the business goes down, and IT staff productivity is increased," said Matt Eastwood, Senior Vice President, IDC. "Artificial Intelligence (AI)-infused cloud-based management tools can offer deep insights into the state of the infrastructure, identify troubles before they become major issues, and enable quicker 'root cause' identification and analysis of issues."

Intersight is designed to deliver a new, higher level of simplicity and intelligence that is intuitive from the start and continues to learn and evolve over time:

Cisco Intersight will be available in Q4 2017 and is integrated and designed to coexist with existing UCS and HyperFlex management tools, so customers can adopt Cisco Intersight as they desire without added complexity. Cisco Intersight will be available in an on-premise deployment model in the future. Cisco Intersight is built on an extensible architecture with OData standards-based RESTful APIs and connector framework simplifying third party software and hardware integrations.

Cisco recently announced fifth generation UCS Servers with the high-performance UCS M5 series and an accompanying release of UCS Manager that provides connector support to Cisco Intersight. UCS M5 systems are also now available in Cisco's hyperconverged infrastructure solution with the new Cisco HyperFlex M5 nodes, including HyperFlex Edge, with Cisco Intersight providing cloud-based cluster deployment capability in the Base Edition. Cisco leads the industry with the most comprehensive portfolio of converged infrastructure solutions; Cisco Intersight creates opportunities for deeper partner integrations and even greater operational simplicity.

As customers include Cisco UCS, HyperFlex and Intersight in their IT modernization initiatives, Cisco offers a comprehensive lifecycle of data center services from advisory through optimization, managed technical and learning services to improve cost-efficiency and reduce risk. Cisco's portfolio of services leverages global expertise, proven processes, and innovative methodologies to help customers accelerate and simplify operations.

https://www.wsj.com/articles/PR-CO-20170921-907742

Rethinking security when everyone's Social Security number is public

Data & Analytics / IoT

9/25/17

After Equifax disclosed a devastating data breach, much of the attention focused on whether the company did everything it could in response. But the scary truth may be that this is the sort of incident that goes beyond a single company's ability to fix.

Whatever the long-term effects will be, one thing is immediately clear: Social Security numbers are no longer as valuable as they used to be in evaluating consumer identity and creditworthiness.

"[Know Your Customer] requirements were written for a world that expects some privacy of Social Security numbers," said Zach Perret, co-founder and CEO of the fintech company Plaid, at SourceMedia's PayThink event, which took place last week in Phoenix.

"The assumption that we previously held, which was that Social Security numbers and driver's license numbers are relatively private ... that's now gone," he said. "Beyond how Equifax changes credit scoring, there's a big question about how Equifax changes identity validation."

This is a distinctly separate issue from fraud detection, Perret said. Bank accounts and card numbers can be shut down and reissued, but banks can't do the same for Social Security numbers and other identity factors.

"On the fraud side, there's a ton of work we can do, including multifactor authentication," he said, but "the KYC requirements are pretty explicit ... so that needs to be updated."

Indeed, a lot of the security practices being used today are done more out of tradition than out of effectiveness. Companies that have extremely advanced security in place may still prompt for a static password to make the customer feel involved in the process.

But even that mindset is shifting.

With the Zelle app, for example, "we might not always ask you for a password, but don't think we're not secure," Lou Anne Alexander, group president of payments at Early Warning, said at PayThink.

"We will not always ask you for a password, but don't think we're not secure," Alexander said. "We're doing a lot of things behind the scenes that are unobtrusive. I worry a bit that folks might think it's not secure, that we might have to do a little of what we call security theater and throw a roadblock up every now and then, but we do know enough about the device [and] your interaction with it to clearly understand whether it's you or not."

But not all technology improves security as intended. With EMV, fraudsters were quick to find workarounds.

"We've seen a number of examples of fraudsters convincing those checkout folks to type in their number and bypass the chip ... that's obviously not why we all have spent so much money as an industry [on EMV]. That defeats the whole purpose," said Jason Martin, senior vice president of checking and debit product management at Bank of America.

As expected, fraudsters are targeting card-not-present sales, which get no benefit from EMV security, but they are also paying more attention to other low-tech financial instruments.

"It goes back to even checks, too," Martin said. "Fraudsters will try to go back to the weakest link that they can find, and we're seeing that across the board."

Sometimes the merchant bypasses EMV on its own, due to a miscommunication, said Kathy Yee, senior vice president of debit and prepaid cards product management at Wells Fargo.

"We've had situations ... where there are little Post-its put on machines that said Wells Fargo cards didn't work," Yee said. "It ended up being not true — it was something in the implementation or something like that — but that little Post-it is very painful in trying to communicate to our customers."

https://www.paymentssource.com/news/rethinking-payment-security-when-everyones-social-security-number-is-public

IoT Infrastructure Market to hit $130 billion by 2024

Data & Analytics / IoT

9/25/17

IoT infrastructure Market is estimated to surpass USD 130 billion by 2024; according to a new research report by Global Market Insights, Inc. The increasing number of smart city projects across the U.S., India, China, Singapore, UK, etc. are anticipated to drive the IoT infrastructure market growth over the forecast timeframe. Smart cities require expertise across several sectors including planning, finance, transport, communication, and energy safety, among others. The IoT framework addresses the various aspects of smart projects and allows cities to utilize urban data to improve economic competitiveness, and build more effective solutions. The Indian government plans to develop over 100 smart cities that requires an investment of over USD 150 billion, which is expected to fuel the regional growth.

Increasing demand for water & waste management in cities is also expected to drive the IoT infrastructure market growth. The solutions can be implemented to sense the water supply & drainage operations of a city in real-time through various wireless networks, pressure gauges and monitoring equipment including meters. These data on water supply & drainage can be provided to the relevant management departments in order to analyze the information and make supporting suggestions.

IoT infrastructure market lies huge growth opportunities for the professional services. Increasing demand for customized services in order to implement and manage the complex IoT networks supports the professional services growth. The service providers with skilled expertise implement the technological solutions and offer end-to-end services resulting in increasing the operational efficiency. In order to reduce the total cost of ownership, adoption of professional services is on the rise, further contributing to the growth. However, managed services segment is set to witness significant growth in China, India & Singapore due to lack of adequate infrastructure for supporting such solutions.

Advancements in sensor technology coupled with the miniaturization trend is helping the manufacturers integrate several functionalities in a single chip. Devices integrated with sensors ensure the seamless transfer and exchange of data. They are used for various functionalities which include monitoring, security as well as lighting systems. Huge volume of data generated from these sensors are required to be collected and analyzed to optimize the processes

North America IoT infrastructure market is expected to retain highest revenue share over the forecast timeline. This is attributed to the advanced infrastructure followed by rising number of smart city and building projects undertaken by the government across the region. Increasing demand for smart cities in countries such as China, India & Singapore will drive the Asia Pacific IoT infrastructure market growth. Rising investments for the development of smart cities infrastructure coupled with the increasing penetration of connected devices further contributes to the industry growth.

Companies operating in the IoT infrastructure market include Intel Corporation, Schneider Electric, Microsoft Corporation, Huawei Technologies Ltd., IBM Corporation and Cisco Systems, Inc. Honeywell International Inc., SAP SE, Oracle Corporation, Accenture PLC and PTC Inc. etc. The industry is fragmented in nature with the entry of new players with innovative and advanced set of solutions. Rising depletion of energy sources worldwide escalates the demand for efficient management of energy and power sources resulted in increased R&D investments by the major industry players, contributing to the IoT infrastructure market growth.

http://www.equipmentfa.com/news/7238/iot-infrastructure-market-to-hit-130b-by-2024

Equifax follows Wells' crisis management playbook — with a twist

Data & Analytics / IoT

9/26/17

In announcing Tuesday that Equifax CEO Richard Smith will take early retirement, the credit reporting bureau observed an increasingly well-worn ritual of scandal-ridden firms: apologize, promise to do better in the future, and sacrifice your top executive in the hopes it will ward off action by Congress and regulators.

It's a playbook that Wells Fargo used just a year earlier, although Equifax made at least one crucial change. It jettisoned its CEO before he was due to appear before two congressional committees next week, a move that Wells made only after its top leader had been excoriated by lawmakers first.

“We’ve seen this ceremonial sacrifice dozens of times in the wake of scandals,” said Isaac Boltansky, an analyst at Compass Point Research & Trading. “The only difference this time is that the decision is occurring before the public flogging by members of Congress.”

The House Energy and Commerce Committee scheduled a hearing with Smith for Oct. 3, while Senate Banking has a hearing on Oct. 4.

It remains unclear, however, if Equifax's attempt to get ahead of lawmakers will help ease their criticism — or backfire. The committees may now ask for testimony from not only the company's former management, but also current, new management, in order to examine what actions are being taken going forward to ensure another data breach can't happen again.

“This hearing wasn’t just about the breach — it’s about the company’s actions in response to the breach,” Boltansky said. “So if someone else is going to be directing those actions, doesn’t it stand to reason that the new person running point on the response should step before Congress as well?”

Several lawmakers were already demanding that Smith and his successors, interim CEO Rego Barros Jr. and nonexecutive chairman Mark Feidler, appear next week in front of the committees.

"Mr. Smith, along with the new chairman and the new interim CEO, should all testify before the Senate Banking Committee," Sen. Elizabeth Warren, D-Mass., said in a press release. "The American public deserves answers about what went wrong at Equifax and what the company plans to do going forward."

Other Democrats demanded the same thing, including Sen. Sherrod Brown, D-Ohio, and Jon Tester, D-Montana.

“His resignation is less about spending time with his family and more about not spending time with us," Tester said.

Feidler said in a statement Tuesday that Equifax’s board remains “deeply concerned about and totally focused” on the data breach, in which more than 143 million customers’ personal information may have been compromised.

In many ways, Equifax is in a far more precarious position than Wells was when regulators revealed that former employees had opened up millions of phony accounts to meet sales goals. Though there was a call from some Democrats like Rep. Maxine Waters, D-Calif., to carve up the bank as a result, the appetite to place more regulations on banks has slackened following the enactment of the Dodd-Frank Act in 2010.

But that is not the case with regard to credit bureaus. Warren and other Democrats are already pushing a bill that would create a federal requirement for credit bureaus to offer free credit freezes to consumers affected by a data breach.

And such legislation may turn out to be relatively kind compared to what other lawmakers are seeking. Sen. Mark Warner, a pro-business moderate Democrat from Virginia, sharply questioned Tuesday whether Equifax should be allowed to continue to operate given its cybersecurity lapses.

“I question whether Equifax even has the right to continue providing these services with the level of sloppiness” it has shown, Warner said.

Sen. John Kennedy, R-La., suggested the Senate Banking Committee should look at how credit bureaus interact with consumers.

“In my opinion, many Americans are curious about the credit reporting agencies,” Kennedy said. “I didn’t hire them. I didn’t hire them to collect information about me. They don’t represent me. … Now all of sudden my information is out there somewhere on the dark web.”

He added, “It seems to me at some point … that is something we need talk about in this committee. What is the role the credit reporting agencies play and who do they have an obligation” to?

To be sure, most Republicans on the banking panel didn't appear willing to go as far, at least not yet. Sen. Mike Crapo of Idaho, the panel chairman, said Tuesday that the breach has “highlighted the need to protect this sensitive and valuable information."

Crapo later told reporters he was still evaluating whether he would summon Smith to testify.

Andrew Ricci, vice president of strategic communications and crisis management firm Levick, said the lesson that other firms need to take away from Equifax's experience is that data intrusions are inevitable. The key thing is having a plan once the breach happens, he said.

"Companies that think they aren't going to be the subjects of a data breach … are living in a fantasy land," Ricci said. "Step one is not asking yourself if you're going to get hacked, but asking when you're going to get hacked and to have a plan in place."

Ricci said that if he were to give Equifax a grade for its response to the breach to date, he would give them a C+, noting that its notification of the breach was robust and fairly prompt and came from the chief executive, rather than from a lower-level staff member. But the real test, he said, is how the company repopulates its c-suite positions that have now been vacated.

"I think they really have to look at making sure they don't try to cut corners," Ricci said. "As they do the search … they really need to be looking toward someone who can rebuild trust in the brand, and someone who understands that this probably isn't going to be a one-off thing."

Meanwhile, Equifax continues to be slammed with lawsuits over the data breach. The latest financial institutions to sue are the $79 million-asset Bank of Louisiana in New Orleans; Aventa Credit Union in Colorado Springs and First Choice Federal Credit Union in New Castle, Pa.

Those three companies jointly filed a lawsuit Friday that is seeking class-action status. It follows a similar case brought recently by Summit Credit Union in Wisconsin.

In the latest lawsuit, the plaintiffs argue that the massive data breach at Equifax will impose considerable costs on financial institutions as they try to monitor, prevent and respond to fraud.

"With a breach of this magnitude, there is virtually no limit to the amount of fraudulent account openings financial institutions may face," the complaint states.

https://www.americanbanker.com/news/equifax-follows-wells-fargo-crisis-management-playbook-with-a-twist

Thomson Reuters adds NEWSFUL app, increases capacity for news processing

Data & Analytics / IoT

9/26/17

Thomson Reuters has integrated NEWSFUL, an app which links corporate news, events and share price, into its App Studio on the flagship product Eikon, according to a company report.

NEWSFUL was developed by Sigma News ventures which used natural language processing and machine learning techniques to read corporate news with high precision and in near real time.

Mahesh Narayan, head of portfolio management and research, Thomson Reuters, said: “Our open platform enables us to add third-party applications onto Eikon that, when combined with our own solutions, give our clients enhanced products in an evolving marketplace. We believe NEWSFUL’s unique business classification taxonomy, combined with its visual user interface, will deliver valuable new intelligence for many of our users, from traders, PMs to analysts and researchers”.

Sigma News Ventures added that NEWSFUL has indexed news items from over 50,000 media sources over the past 10 years and sorted them into categories such as new product launch, company signing partnership deal, etc.

This classification is correlated with the share price, taking volatility into account, and then fed into the app.

Eikon is an open platform solution from Thomson Reuters that processes real-time and historical data and provides analytical and visualization tools that helps finance professionals to make better, efficient and informed decisions.

https://www.financemagnates.com/institutional-forex/execution/thomson-reuters-adds-newsful-app-increases-capacity-news-processing/

ID-verification firms seize on Equifax moment

Data & Analytics / IoT

9/27/17

The Equifax hack, combined with the rise of online lending, may have turned 2017 into a golden age for companies with new ideas for ID.

Innovations in customer identification — such as so-called capture and identity technology — are suddenly more attractive to financial institutions after the data breach at Equifax, which in jeopardizing the personal information of 143 million consumers heightened the risk of identity theft and fake consumer and small-business credit applications.

“With the recent Equifax breach we all have to assume our Social Security numbers are in the public domain,” said Robert Meara, senior analyst at the research and advisory firm Celent. ”This is a scary time in traditional customer authentication.”

The early success of marketplace lenders, and banks’ efforts to partner with online lenders or start their own digital-lending units, only add to demand for ways to make sure loan applicants are who they say they are.

The software company Mitek plans to roll out a product in the coming year called Mobile Verify for Lending, which offers lenders a five-step process to quickly verify customer identities. Borrowers first share their online bank account information with lenders. They then submit four pictures taken from their smartphones: the front and back of their driver’s licenses, a selfie and a pay stub.

Its technology is able to “find and decode” security features on driver’s licenses and detect “liveness” in selfies, guaranteeing the photos submitted are legitimate, Mitek says. The multiple checkpoints and technological security are intended to be simple and secure.

Other players are offering digital lending solutions to make it easier for banks to keep pace with speedy fintech competitors. Upstart, for example, is marketing software, called Powered by Upstart, to banks wanting to get into digital lending.

Eastern Bank is among those that have developed their own technology. Starting in 2013 the Boston bank’s innovation lab developed real-time lending technology, with the added bonus of reducing the cost of originating loans. The innovation lab eventually was spun out as a separate firm called Numerated Growth Technologies, which sells its product to other banks in a similar manner as Upstart.

The kind of loans made with such technology varies. Eastern Bank had success with so-called Business Express loans of up to $100,000, while Upstart focuses on consumer loans and personal installment loans.

But lending is also not the only market for the kind of technology that Mitek plans to offer, according Katherine Verducci, a company spokeswoman.

“Mobile Verify for Lending targets consumer loans such as auto loans or student loans, but it has applications for every kind of lending and for almost any kind of digital application that would benefit from real-time identity and bank account authentication,” Verducci said.

Companies such as Trulioo, VixVerify and AuthenticID compete against Mitek and offer instant verification databases to financial institutions as well. Some firms use third-party analytics systems to extract data from images, but Mitek has the benefit of owning its own system, Meara said.

The appeal of verifying identity through capture and identity technology is that it replaces knowledge-based authentication. This traditional method of verification required customers to answer personal questions to prove their identity, but left room for fraud as “15% of legitimate customers cannot answer those questions correctly, while fraudsters will call back repetitively until they can answer them” said Shirley Inscoe, senior analyst at Aite Group.

“This is the technology whose time has come, and I think that with the repercussions of the Equifax breach that financial institutions might look at it and start adopting it more quickly than they might otherwise have,” Inscoe said.

https://www.americanbanker.com/news/id-verification-firms-seize-on-equifax-moment

The Way Forward For Wearables

Data & Analytics / IoT

9/27/17

Wearables are at an interesting crossroads in the life of the American consumer.

From the biggest names in retail and technology to up-and-coming startups, there suddenly seems to be a world of innovators with wearable inventions at the ready to make all of our collective lives better.

Just since the start of September, we've seen the latest super-specialized connected fitness product out of Garmin, the latest edition of the Apple Watch, Fitbit's Ionic, Samsung's partnership with Speedo on the newly released Gear Sport line, rumors that Amazon will release smart specs of its own and (perhaps our favorite) the smart denim jacket collaboration between Google and Levi's.

And those were just the big headlines.

"There is plenty of room for many to be successful," Tavis McCourt, an analyst with Raymond James, noted in early September.

That's the glass-half-full outlook for wearables. The glass-half-empty side of the coin observes that for all the excitement, wearables as a category have struggled to gain a committed following.

Think back a few short years to the first heavily hyped wearable by a major player, Google Glass. In January of 2014, analysts were predicting that it was the next big thing – move over, iPhone. A year later, the project was officially shelved as a valuable learning experience.

That pattern has repeated itself with many wearables thus far, with enthusiasm among actual consumers notably trailing the hype. This year, 2017 has been a rough one for wearables; Fitbit has shed more than 70 percent of its value this year alone, Intel closed the doors on its wearables unit and Jawbone – a much-loved darling of Silicon Valley – liquidated its assets.

So, with much expected but not quite so much delivered, the obvious question is perhaps: What is the way forward for wearables?

Why Woo the Wearable Consumer at All?

To answer that question, one first needs to understand the wearable consumer.

Consumers who buy wearables, according to our research, seem rather keenly dissatisfied with their commerce experience today. They tend to view connected devices, broadly, as a way to

turn that frown upside down. They're on the go, not surprising, and like to shop online. When they shop, they spend more: They purchase more stuff in a week than their non-wearable owning counterparts, particularly when it comes to personal care products, health care goods, medication and travel items. Using cash does not seem to float their boat.

Wearables owners also have lots more connected devices than the average bear (5.5 to be precise) and want to use those devices to enable payments and commerce experiences inside while they're doing other things – such as cooking, walking the dog, taking care of the kids, commuting and just generally being on the go.

All of this might offer some clues as to the way forward for wearables, and the place that payments may play.

What's next

Serious fitness buffs seem to flock to Garmin wearables despite their rather high price tag and a near-universal observation that its screen is fairly "blah."

It may be blah, but like an e-ink reader, it's easy to read in bright sunlight and loaded with some very custom fitness apps that go way beyond "just counting steps, and enabling people to work out," noted one Garmin enthusiast.

Including payments. Garmin Pay now enables its users to contextualize their commerce experiences when they are on the go at merchants where NFC is accepted. And although Garmin users may not have been prompted to buy its new watch for payments, embedding payments as a feature creates a new commerce experience that wearables consumers say they'd like to explore. The same holds true for the new Fitbit Ionic.

Amazon has reportedly hired much of the former Google Glass team to work on its version of a wearable. But other than the camera and various design features that seemed to turn people off, what we have seen of Amazon's design so far seems to be Warby Parker meets Alexa: a fairly normal-looking pair of specs, with a built-in microphone that connects to an app on a smartphone and lets users talk to Alexa remotely.

Whether that use case is compelling enough to get users to buy Alexa-powered specs will be determined by, among other things, how hip and happening the glasses are and whether they solve a problem that the consumer really has without introducing undue friction in the process.

Or there's the new jean jacket from Levi's and Google that (care of a smart tag and some high-tech fibers) makes it possible for consumers to keep their phones in their pockets while still navigating it through some easy swipes on or over their sleeve. Helpful for an on-the-go consumer – say, riding a bike – who would rather not have to look at or handle their phone. Could that consumer also eventually want a jacket that allows them to pay with a swipe? Seems possible enough, as those types of buyers like saving time and minimizing hassle.

But why is the consumer buying it first and foremost? It looks cool, and makes it somewhat easier to navigate technology hands-free.

For a less “big business” example, consider the Opter Life, a simple, aesthetically appealing bamboo pendant necklace. Its smart functions are numerous – it reminds users to adjust their posture (helpful for those of us who spend our time bent over computer screens) and apply sunscreen – but above all, it looks nice.

And so that’s the path forward for wearables and the ignition problem that has eluded them so far: Solve a real consumer problem, first, and then identify the use cases that can be brought to life, seamlessly, when commerce is introduced.

https://www.pymnts.com/news/wearables/2017/the-way-forward-for-wearables/

San Francisco Sues Equifax

Data & Analytics / IoT

9/27/17

Adding this week to Equifax's list of unhappy individual and groups to deal with — a list that already includes its banking partners, Congressional legislators and the 143 million or so people whose data has been compromised — is San Francisco City Attorney Dennis Herrera, who has filed a lawsuit against Equifax.

The city's contention? The credit reporting firm's massive data breach constitutes Equifax failing to protect the data of (15 million) Californians.

"Equifax's incompetence would be comical if the subject matter weren't so serious," Herrera said in a prepared statement. "This company fell asleep at the switch and upended the lives of millions of people."

The breach has carried in its wake a host of investigations at the state and federal level. The Department of Justice in Atlanta, where Equifax is based, and the Federal Trade Commission have both been brought in to evaluate the case and Equifax's responsibility in it.

"The information that Equifax failed to safeguard is what people need to open a bank account, buy a home or rent an apartment," Herrera said. "Now Californians have been put at risk of identity theft for years to come."

The lawsuit — filed in San Francisco Superior Court — accuses Equifax of breaking "state law governing unlawful, unfair or fraudulent business practices," according to Herrera's office.

Herrera's office further accuses Equifax of failing to implement security procedures and practices that might have fended off the breach, for failing to tell Californians in a timely manner about the breach and then not for offering up complete data when the breach was discovered.

"When you're dealing with highly sensitive information, keeping your software up to date is such a basic step," Herrera said, adding the company's delay in informing users about the breach "made a bad situation worse."

"Their delay prevented more than 15 million California consumers from taking immediate action to protect themselves from the risk of identity theft and fraud," he said.

https://www.pymnts.com/news/security-and-risk/2017/san-francisco-sues-equifax/

AI is changing the skills needed of tomorrow's data scientists

Data & Analytics / IoT

9/28/17

There's a global shortage of data scientists and it's going to get worse before it's going to get better.

As the demand for data scientists increases, the supply of talent in the US cannot keep up. According to the McKinsey Global Institute, the U.S. economy could short as many as 250,000 data scientists by 2024. Countries like Malaysia are building national programs to fill the gap as they seek to become a global hub of data science talent. The United States needs to apply more resources in order to grow the number of US-trained data scientists and maintain a global leadership position in data science.

As data becomes more ubiquitous in every job role and in every organization, data scientists will only grow in importance. Today's students will be the first data-native employees of the future, and it's critical that they understand data science, how data science is changing and how data science solves real world problems.

Learning to work with machines

Automation and artificial intelligence (AI) are already changing workforce requirements of data scientists. Traditionally, working with data has been complex and highly manual work, requiring specialized technical skills. Today, we're in the beginning stages of applying machine learning and artificial intelligence to the operation of complex IT systems. We're seeing how algorithms can improve and streamline security, network management and now data platforms.

AI is changing the nuts and bolts of data management, alleviating data teams from a lot of tedious, manual dirty work so that they can focus their time on creating business outcomes and allowing data scientist to work at a speed and scale that is impossible today. The data scientist of tomorrow must be prepared to work with the AI revolution, optimizing processes without losing the human ability to think creatively and apply data-driven insights to real-world problems.

Learning to apply data to business

The next generation of data scientists will be even more necessary for helping to apply models and algorithms to problems and processes across the enterprise. For data science students, it's not only crucial to understand the data and the technology but it's equally as valuable to learn how to function in teams, collaborate and teach. That requires a broader understanding of business.

Data scientists will need to be able to think like MBAs and MBAs will need to think like data scientists. That requires an interdisciplinary approach to education.

Communication is key

Future data scientists will not only be doing development work but collaborating broadly across many groups. Along with understanding the different functions of the business, they will also need to be effective communicators. The data scientists of tomorrow will need to be able to speak the language of engineering, marketing, sales and leadership in order to ensure that the data is improving every part of the business. Insights that fall on deaf ears won't move the business forward.

The data science learning never stops

To be successful, data scientists need a mix of soft social skills and hard technical skills. Soft skills include curiosity, creativity, problem solving, communication and collaboration. Great data scientists iterate quickly, looking at problems from a variety of angles to find the best approach to creating insights and answering questions. That takes curiosity and an understanding of the innovations that are shaping the world.

And that means that the learning can't stop.

Enterprises will be need to invest in their data scientist, ensuring that the learning continues and the well of creativity never runs dry. Whether that means dedicating internal resources to education or empowering data scientists to attend conferences and continued education courses, the data scientists of tomorrow must be constantly learning and evolving.

Data for all

As enterprises become data-driven, every employee will need to understand how and where data analytics can be applied to their work. The future of data science education is rapidly evolving. Long gone are the days of data science being a specialized track for only a small portion of students. In fact, everyone entering the workforce should have some type of data analytics skills. Universities and enterprises need to make data analytics skills mandatory.

https://www.dig-in.com/opinion/ai-is-changing-the-skills-needed-of-tomorrows-data-scientists

First Data debuts debit-disbursement tool for gig economy

Data & Analytics / IoT

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First Data Corp. is joining in the movement to provide speedy payments to participants in the gig economy of independent contractors by rolling out a debit-powered disbursement product.

Leveraging its acquisition last year of Acculynk's PaySecure debit routing system, First Data's Disburse-to-Debit solution delivers funds directly to a recipient's debit card in real time, First Data said in a Thursday press release.

Unlike many corporate disbursement methods that rely on ACH, the new offering drives instant "push" payments across a broad range of debit networks through a single connection, and it also works with First Data's Money Network-branded prepaid card, Atlanta-based First Data said in the release.

First Data's new product also expands options and may reduce costs for companies looking for ways to support higher volumes of payments, such as ride-sharing companies.

Lyft, for example, pays its drivers with Express Pay, its own version of Visa Direct and Mastercard Moneysend, which delivers funds immediately versus ACH, which can take up to a few days to settle.

"The digitization of commerce has caused consumers, including tech-minded individuals working in the gig economy, to expect convenience in every interaction," said Ashish Bahl, head of global debit solutions at First Data, in the release.

Bahl previously was CEO of Acculynk, which developed the PaySecure online PIN debit service, Payzur P-to-P payments and electronic payments for municipalities. Acculynk enabled users to accept Visa and Mastercard transactions and route them over the PIN debit rails, which typically are less costly. First Data boosted Acculynk's reach with the ability to connect to foreign debit networks.

Analyst Jordan McKee at 451 Research said First Data's move could help the company reposition itself more of a developer and startup-friendly organization to get in on higher-growth and emerging marketplace businesses.

"The goal is to get in on the ground floor of emerging businesses and provide a set of payments building blocks that help (companies) scale into large, high-volume companies," McKee said.

"Whether it's a driver for a ride-sharing company, or a small business owner needing disaster relief following a hurricane, our new technology allows businesses to make payments in real

time (including internationally)," said Dan Charron, First Data's executive vice president and head of global business solutions, in the release.

https://www.paymentssource.com/news/first-data-debuts-debit-disbursement-tool-for-gig-economy

OTHERS

Microsoft helps customers digitally transform their businesses with cloud, AI and mixed reality

Others

9/25/17

Microsoft Corp. on Monday welcomed over 25,000 business customers to its annual IT event, Microsoft Ignite in Orlando, Fla., where the company showcased how it is infusing cloud, AI and mixed reality across it products to help customers visualize and create the future of business. Microsoft also shared how quantum computers could help solve some of our planet's biggest challenges. News spanned Microsoft's commercial businesses -- Office 365, Windows 10, Microsoft Azure, Dynamics 365 and Microsoft AI -- with a focus on how the company is empowering people and organizations to succeed in a rapidly evolving workplace, and enabling customers to harness data, AI, hybrid and cloud technologies to evolve business process and innovate for the future.

"Digital technology is impacting all aspects of our society and economies, creating unprecedented opportunity for organizations of all sizes," said Satya Nadella, CEO, Microsoft. "I'm optimistic and inspired by the ingenuity of customers, partners and developers everywhere that are pushing the frontiers of what's possible with mixed reality and artificial intelligence infused across Microsoft 365, Dynamics 365 and Azure, to transform and have impact in the world."

Following 12 years of investment in its vision to create a scalable computer based on quantum physics, today Microsoft announced the creation of a new programming language optimized for exploiting scalable quantum computers and deep integration of the programming language into Visual Studio, providing developers with debugging and other support and state-of-the-art simulators that can run locally or on Microsoft Azure. The tools will be available for free by year's end. Developers can join Microsoft's quantum community today by signing up at www.microsoft.com/quantum.

Microsoft also announced the expansion of Microsoft 365 with two new solutions to empower firstline workers and education customers. The company also introduced new intelligent search capabilities, a vision for intelligent communications centering on Microsoft Teams, and security and IT management enhancements to help customers stay secure and compliant, including meeting the General Data Protection Regulation.

Microsoft expanded Dynamics 365 with new AI solutions that transform critical enterprise scenarios and apps and services to help business users reinvent the processes they use every day.

https://www.wsj.com/articles/PR-CO-20170925-905820

Against the odds, businesses are embracing fintech

Others

9/25/17

Nearly two-thirds of UK businesses – 65 per cent - are regularly using fintech applications such as Revolut and Transferwise, according to recent research.

Invoice finance company MarketInvoice , itself very much in the fintech bracket, recently conducted a survey of UK businesses on their awareness and adoption of fintech products and services.

More than three quarters – 77 per cent said they are aware of fintech and two-thirds (65 per cent) have adopted at least one fintech application, with a fifth (19 per cent) taking on four.

These adopters reported saving on average over £5,500 a year as result of using the fintech products and services.

Businesses reported using fintech products and services for banking transactions (23 per cent) and foreign exchange services (16 per cent). Meanwhile, one in four (24 per cent) reported using cloud-based software for their accountancy functions and a third (32 per cent) used online lenders for business loans or invoice finance. Only 2 per cent of businesses are using insurtech (insurance technology) services.

Bobby Lane, partner at accountancy firm SSH LLP, commented: “Most of our clients are now using cloud-based solutions and automating many of their routine processes. This means that I have more time to focus on advising my clients on strategic matters. Also, it’s now far easier for us to use fintech services because the ability to integrate with these new systems has opened up huge opportunities for improving processes”.

Business leaders are drawn to fintech because it saves time and money (56 per cent) whilst a third (34 per cent) were impressed by the user experience. Interestingly, a quarter (23 per cent) said fintech’s were more transparent on fees and provided a better customer service.

Jerry Anderson, managing director of wedding rings company Allied Gold is one such user.

“We’re a third-generation family business, I have adopted fintech across the business from our accounting to our banking services. The user experience and service is far superior to what is available on the high street,” he said.

Anil Stocker, CEO and co-founder of MarketInvoice says fintech applications are revolutionising the way business is being done from how employees report their expenses to the way businesses report their financial performance.

"Entrepreneurs always seek out the best means to drive their businesses and clearly fintech products and services are becoming a stable part of this approach."

A further 23 per cent are using online pre-paid cards (i.e. Revolut) in allocating budgets to teams.

Somewhat surprisingly a tenth (11 per cent) reported using bitcoins or other cryptocurrencies at some point in the past year in processing payments. A clear majority (89 per cent) have not used cryptocurrencies, a fifth (21 per cent) of these businesses expect these currencies to feature in their payment transactions over the next 12 months.

http://www.altfi.com/article/3542_against_the_odds_businesses_are_embracing_fintech

TCS makes Intel-ligent move for new AI centre

Others

9/27/17

The new AI CoE will be equipped with the usual technologies and experts to assist "Intel Nervana AI Academy" members – including developers, data scientists, students, professors and start-ups – in developing AI solutions.

In addition, the CoE will work with academic communities to develop new algorithms for AI, support research projects and improve teaching content delivered in the classroom.

If you're wondering where this CoE is specifically located, it will have a "physical and online presence" across the Americas, Asia Pacific, China and Europe. There are no more details on that yet.

V Rajanna, VP and global head, technology business unit, TCS, says: "Harnessing the power of AI as part of a digital transformation strategy will be key in creating the intelligent enterprise of tomorrow."

TCS also trots out the usual stuff about "harnessing" machine data from internet of things (IoT) devices in addition to traditional data sources, and that "this has laid the foundation for big data platforms".

Intel's previous involvement in AI is well known and well documented.

A few recent examples include unveiling a self-learning "neuromorphic" AI chip; and a humble-brag about its $1 billion investment in the AI sector.

http://www.bankingtech.com/1006292/tcs-makes-intel-ligent-move-for-new-ai-centre/?utm_source=rss&utm_medium=rss&utm_campaign=tcs-makes-intel-ligent-move-for-new-ai-centre