



**Evolve**  
Capital Partners

## **Weekly News Update**

Week Ending 05/25/18

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**SPECIALIZED INVESTMENT BANKERS AT THE INTERSECTION OF FINANCE AND TECHNOLOGY**

**BANK TECHNOLOGY SOLUTIONS** ..... 6

Commerzbank makes first major FX pilot transaction via blockchain ..... 7

Crédit Mutuel to deploy IBM Watson across business lines ..... 8

Trelis now provides end-to-end mortgage fulfillment with the addition of its closing services solution ..... 9

ENACOMM adds FoneLogix as ally to bring data-driven ai and phone banking to financial institutions..... 11

Australia's Volt to run digital bank in the cloud ..... 12

Instantor Insight uses machine learning to assess credit risks ..... 13

BBVA begins global roll-out of unified mobile app ..... 14

Equifax powers HSBC UK’s first live credit application solution..... 15

**FINANCIAL MANAGEMENT SOLUTIONS** ..... 16

identitii teams with RPA firm Blue Prism..... 17

Microsoft partners with Accenture and Avanade to build vertical AI services..... 18

PensionBee hopes to gain new customers through a partnership with Perkbox ..... 19

**HEALTHCARE TECH**..... 21

Patientco launches cloud-based validated P2PE payment terminals with seamless epic credit card device framework integration..... 22

InnerScope Hearing Technologies, Inc. announces Klarna Bank as a financing partner ..... 23

**INSURANCE** ..... 25

Age of insurtechs poses unique challenges for surplus lines insurance industry ..... 26

Insurers' digital timeline speeds up with pressure from big tech ..... 28

AIB introduces in-app travel insurance ..... 30

Insurtechs begin to converge with incumbents on core ..... 31

The Hanover partners with insurtech CoverWallet on business insurance ..... 32

**PAYMENTS** ..... 33

ShopKeep launches on Android to broaden hardware options ..... 34

ACI Worldwide unveils ACI Case Management powered by i-Sight ..... 35

Revolut adds support for XRP and Bitcoin Cash ..... 37

Sage integrates PayPal.....38

Bluefin and Paya partner to offer secure, PCI-validated Point-to-Point Encryption (P2PE).....39

Efis turns to Swift for instant payments .....40

Tradecraft launches end-to-end cloud platform for supply chain payments & finance; includes blockchain-based financing .....42

**SECURITIES** .....43

Fidelity introduces Cora, a VR financial agent .....44

UK personal finance app Elifinty preps for launch .....46

With help from fintech, JPMorgan opens asset management to masses.....47

**SPECIALTY FINANCE / ALTERNATIVE LENDING**.....48

SoFi will get crypto investing by 2019, says CEO Anthony Noto .....49

Online lender Kabbage to launch payment services by year-end .....50

LendInvest announces integration with payments platform Stripe to streamline loan application process .....51

**DATA & ANALYTICS / IoT**.....52

GoodData launches Spectrum UI tools .....53

Argus launches new industry-leading regulatory and compliance solution on cloud .....54

## 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](http://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](mailto:admin@evolve-capital.com) or call (646) 688-2792.

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

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

## News Count

Sector	Number of News	% of Total
Bank Technology Solutions	8	24%
BPO	0	0%
Financial Management Solutions	3	9%
Healthcare Tech	2	6%
Insurance	5	15%
Payments	7	21%
Securities	3	9%
Specialty Finance / Alternative Lending	3	9%
Data & Analytics / IoT	2	6%
Others	0	0%
<b>Total</b>	<b>33</b>	<b>100%</b>



# **BANK TECHNOLOGY SOLUTIONS**

## Commerzbank makes first major FX pilot transaction via blockchain

### Bank Technology Solutions

5/24/18

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Commerzbank has traded an FX forward with industrial group thyssenkrupp in which the pilot transaction was instantaneously replicated in a blockchain.

According to the bank, the use of blockchain eliminates the need for a manual or semi-automated reconciliation between the client and the bank, thereby “drastically reducing” operational risks in FX transactions.

The EUR/PLN FX forward deal, which amounted to €500,000 with a one month tenor (i.e. amount of time left for the repayment of a loan), was initiated by thyssenkrupp using FX Live Trader, Commerzbank’s FX trading platform.

The deal confirmation was sent directly via Corda, a distributed ledger designed for finance by the R3 blockchain consortium.

Nikolaus Giesbert, divisional board member, fixed income, currencies & commodities and trade finance & cash management, Commerzbank, says: “Reconciliation is a major issue for banks when trading FX. Significant resources are dedicated to resolving the issues that occur during the matching process. This deal demonstrates how the use of distributed ledger can transform and digitalise the processes in this space.”

Naturally, the bank says future benefits could be on their way.

Firstly, a more streamlined FX transaction process and a real-time confirmation. Secondly, the removal of transaction reconciliation. And finally, the elimination for the need of various third party solutions that banks use to send transaction confirmations to the clients.

However, Commerzbank says to make this all happen, technical, regulatory and legal requirements need to further develop. This latest pilot follows on from the bank’s keen interest in blockchain. Last week, Commerzbank, supported by SAP, completed an integration between SAP S/4HANA business processes and Corda for improved trade and supply chain finance services.

While in April, Batavia, the blockchain-based trade finance platform that has been jointly developed by a consortium consisting of Bank of Montreal (BMO), CaixaBank, Commerzbank, Erste Group, IBM and UBS, completed its first live pilot transactions with corporate clients.

<https://www.bankingtech.com/2018/05/commerzbank-makes-first-major-fx-pilot-transaction-via-blockchain/>

## Crédit Mutuel to deploy IBM Watson across business lines

### Bank Technology Solutions

5/24/18

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French bank Crédit Mutuel is doubling down on its use of IBM's Watson platform, committing to use the AI technology across all its business lines.

A year ago, Crédit Mutuel said that it would use Watson to help its 20,000 branch employees analyse customer emails and provide information on products and services.

Now, the bank will use Big Blue's cognitive computing platform across all of its business lines - consumer credit, personal protection, health, payment instruments, and risk and compliance.

In the IBM Cloud, Watson services will be secured in a fully encrypted, dedicated and isolated environment in France with back-up in Germany. And, in keeping with GDPR compliance, Crédit Mutuel customer data "is private and will never be for sale".

Additionally, Crédit Mutuel has chosen IBM QRadar Security Intelligence to collect all major cyber security information across the world, and make it available to its security analysts.

The two companies are also creating a 'Cognitive Factory', bringing together AI engineers and line of business experts to build a 100-strong team to develop and implement new AI projects. A joint university programme will be used to recruit interns.

Nicolas Théry, chairman, Crédit Mutuel CM11 Group, says: "Crédit Mutuel is deeply involved in a strategic partnership with IBM that will enable it to use technology and innovation to help people.

"Through this new joint-construction stage, Crédit Mutuel is enabled to transform its productivity gains and growth opportunities and pave the way for new services for millions of Crédit Mutuel customers and members."

[https://www.finextra.com/newsarticle/32154/crdit-mutuel-to-deploy-ibm-watson-across-business-lines?utm\\_medium=newsflash&utm\\_source=2018-5-25&member=93489](https://www.finextra.com/newsarticle/32154/crdit-mutuel-to-deploy-ibm-watson-across-business-lines?utm_medium=newsflash&utm_source=2018-5-25&member=93489)



## Trelix now provides end-to-end mortgage fulfillment with the addition of its closing services solution

### Bank Technology Solutions

5/23/18

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Trelix, a leading provider of licensed fulfillment, quality control and other due diligence products and services across the loan origination and securitization lifecycle, today announced the launch of its closing services solution that helps mortgage lenders efficiently and properly execute and settle their loans.

With the addition of closing services, Trelix now provides a full suite of end-to-end fulfillment services for its customers.

In today's evolving mortgage industry, Trelix offers innovative technology and services to help mortgage bankers and mortgage purchasers mitigate risks, increase efficiency and reduce costs.

With the addition of closing services, the Trelix™ platform helps its clients streamline the start-to-finish closing experience from disclosure and document preparation to compliance review and closing coordination. The NMLS-licensed Trelix employees communicate regularly with all stakeholders and help improve closing cycle times—reducing timing uncertainty for originators, borrowers and realtors.

“As our customers work to minimize origination and underwriting costs and become more efficient, they can now turn to Trelix to provide an end-to-end experience for their borrowers,” said Jon Gerretsen, President of Trelix. “We offer a seamless process for our customers and their borrowers to ensure we are putting their needs first so that lenders can stay competitive within the industry. With the end-to end fulfillment services we offer, our customers can use Trelix as the single vendor for all their mortgage fulfillment needs.”

The Trelix suite of industry-leading mortgage fulfillment offerings includes:

- **Processing:** Timely and accurate file preparation from application to closing.
- **Underwriting:** Financial profile evaluation against lending guidelines and loan criteria to better inform loan request decisions.
- **Closing Services:** Fast and accurate closing experience, including disclosure and document preparation and compliance review.
- **Loan Due Diligence:** Full correspondent performance analysis and Ratings Agency Due Diligence (RADD) to help meet industry standards.
- **Quality Control:** Independent review of applicable loan files and associated documents to help determine and maintain compliance with agency and lender requirements.

- Advisory Services: Identification of process inefficiencies and provide clear, actionable recommendations to drive improvement to help meet unique client objectives.
- CastleLine® Certification: Execution of the CastleLine proprietary risk management process to help clients obtain Certified Loan™ insurance.

<https://www.altisource.com/News-Articles/Press-Releases/2018/05/Trelix-Now-Provides-EndtoEnd-Mortgage-Fulfillment-with-the-Addition-of-its-Closing-Services-Solution>

## ENACOMM adds FoneLogix as ally to bring data-driven ai and phone banking to financial institutions

### Bank Technology Solutions

5/22/18

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Data analytics, machine learning, and natural language processing are enabling financial institutions to transform customer self-service. ENACOMM—a fintech company that empowers banks, credit unions and credit card companies with solutions for improving the customer experience (CX), fighting financial fraud, and increasing operational efficiency—today announced a new reseller agreement with FoneLogix, an Atlanta-based provider of cloud-hosted VOIP Phone Systems, Solutions and Support.

Through the partnership, FoneLogix’s bank and credit union customers will be able to take advantage of ENACOMM’s VPA (Virtual Personal Assistant) Conversational Banking and the ENACOMM Financial Suite (EFS), which includes a hosted, dynamic interactive voice response (IVR) system for personalized customer interactions.

“FoneLogix helps financial institutions set themselves apart from their competition by being on the leading edge of next-generation communications technology,” said ENACOMM CEO Michael Boukadakis. “We’re excited for FoneLogix to help us make ENACOMM’s best-in-class AI and biometric technology that powers Conversational Banking more widely available, especially with the digital voice assistant channel set to grow exponentially over the next five years.”

Applying artificial intelligence, VPA is ENACOMM’s solution for financial institutions’ self-service users that works with widely-used Virtual Personal Assistants, such as Amazon Alexa and Google Home. Utilizing ENACOMM’s hosted systems, a properly authenticated user can safely and easily handle banking transactions and gain comprehensive access to their financial accounts – with the sound of their voice.

The ENACOMM Financial Suite provides a range of software tools, from powerful voice biometrics to customer relationship management (CRM), as well as added levels of security. ENACOMM’s data-powered IVR solution uses customer intelligence to efficiently direct calls and personalization to help retain customers, and provides context preservation to offer fast, superior self-service.

“Consumers are ready for Conversational Banking, as their rapid adoption of voice assistant devices and preferences regarding customer service channels show,” said Mitchell Bridges, FoneLogix Principal and VP Sales & Marketing. “We look forward to putting ENACOMM’s advanced service technologies in the hands of our clients so they can offer a modern customer experience and exceed the expectations of their patrons.”

<https://globenewswire.com/news-release/2018/05/22/1510104/0/en/ENACOMM-Adds-FoneLogix-as-Ally-to-Bring-Data-Driven-AI-and-Phone-Banking-to-Financial-Institutions.html>

## Australia's Volt to run digital bank in the cloud

### Bank Technology Solutions

5/22/18

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Australian neo bank Volt is to build its branchless digital banking platform in the cloud, using a software-as-a-service package from Swiss core banking vendor Temenos.

Co-founded by former NAB and Barclays exec Steve Weston, Volt is the first firm to be granted a restricted authorised deposit-taking institution (Radi) licence by the Australian Prudential Regulation Authority.

The new licence, which launched earlier this month, is designed to bring competition to a market dominated by four big players, enabling new entrants to carry out a limited range of activities for two years "while they build their capabilities and resources".

Volt, which has raised \$15.7 million and has 35 staff, will initially offer savings and transaction accounts, term deposits and foreign exchange, before moving into personal loans, mortgages and credit cards as it transitions to a full licence.

Steve Weston, CEO, volt bank, comments: "As the first digital bank in Australia, we are using technology to challenge the way banking is done. Temenos' Cloud will allow us to launch quickly and at the same time meet Australian regulations. Incumbent banks in Australia have grown complacent and benefited from the inertia that comes from the difficulty of changing banks. With Temenos software, we can adapt to the customers' changing needs, reduce costs and innovate faster. Our digital bank will be a trailblazer in a new era of banking and every experience we offer will be mobile-led, personalized and customer focused."

[https://www.finextra.com/newsarticle/32135/australias-volt-to-run-digital-bank-in-the-cloud?utm\\_medium=dailynewsletter&utm\\_source=2018-5-23&member=93489](https://www.finextra.com/newsarticle/32135/australias-volt-to-run-digital-bank-in-the-cloud?utm_medium=dailynewsletter&utm_source=2018-5-23&member=93489)

## Instantor Insight uses machine learning to assess credit risks

### Bank Technology Solutions

5/22/18

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Today Instantor, the Swedish fintech company making financial decisions easy, announces Insight.

A new product that will transform the way financial organisations assess risk for loan applicants. By using robust machine learning, Insight analyses more than 70 predictive features and insightful patterns in historical banking, and can be used to make better risk and opportunity decisions. Instead of having a risk team spending months testing risk models, Insight's intelligent features will build the most optimal risk model using the client's own data and can be up and running within a week. This is the first advanced plug and play insights product from the company targeting financial organisations.

Simon Edström, CEO of Instantor, comments: "With the new legislation, PSD2, this is a great way to extract more value for our customers. The big challenge doesn't lie in accessing data any longer but in the ability to use and understand the data to stay competitive. We are proud to launch Insight as the first step in our new product offering; we are focusing more on advanced analytics products to make sure our clients continue to remain ahead of the game."

As well as validating ID, Instantor's Insight identifies often overlooked circumstances that significantly affect risk levels. As a result, this enables faster and more precise scoring models. User tests show that Instantor's Insight product can improve GINI significantly, up to 14 p.p. for new customers and 6 p.p. for a recurrent customer, boosting profits and reducing credit losses with 25 percent.

Simon Edström, CEO of Instantor, continues: "What is unique about our model is the ability to understand what different transactions mean. E.g., what does a withdrawal of cash from ATMs late at night mean, or if a person frequently gambles does it say they are more likely to default on a loan? With our customers we've reviewed millions of applications and together developed Insights to address their unique challenges and formulate how to manage their customers best using machine learning. We can experiment and build different data models, so our clients don't have to."

[https://www.finextra.com/pressarticle/73981/instantor-insight-uses-machine-learning-to-assess-credit-risks?utm\\_medium=dailynewsletter&utm\\_source=2018-5-23&member=93489](https://www.finextra.com/pressarticle/73981/instantor-insight-uses-machine-learning-to-assess-credit-risks?utm_medium=dailynewsletter&utm_source=2018-5-23&member=93489)

## BBVA begins global roll-out of unified mobile app

### Bank Technology Solutions

5/18/18

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BBVA in Mexico has launched a new mobile app developed by a multi-disciplinary team from offices in Spain, the US and Mexico, marking the first stage of a global roll out that unifies design, functionality and user experience across the group's mobile banking franchise.

Adapted to meet the needs of customers in each geographical area, the new app is built on a global development platform, picking and choosing the best UX designs and navigation logic from across the business.

By re-using components, the approach means faster time to market and a modular build to include local particularities, such as payments by cheque in the US and utility bills in Latin America.

Arriving first in Mexico, the new app will next be extended to Uruguay and Peru, prior to rolling out across the remaining countries in BBVA's footprint.

Hugo Nájera, head of business development at BBVA Bancomer, states: "This multidisciplinary exercise with the app will allow us to share different developments taking place in other countries under the same platform, selecting the best practices, developing them and enhancing team capacity to deliver mobile banking products and services in the least amount of time possible."

As of the first quarter of 2018, BBVA had 24 million digital customers, of whom 19.3 million operate using mobile devices.

[https://www.finextra.com/newsarticle/32124/bbva-begins-global-roll-out-of-unified-mobile-app?utm\\_medium=newsflash&utm\\_source=2018-5-18&member=93489](https://www.finextra.com/newsarticle/32124/bbva-begins-global-roll-out-of-unified-mobile-app?utm_medium=newsflash&utm_source=2018-5-18&member=93489)

## Equifax powers HSBC UK's first live credit application solution

### Bank Technology Solutions

5/17/18

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HSBC UK has created the “first live” use case of open banking for credit applications using the InterConnect cloud platform from Equifax.

“Part of the open banking challenge is educating consumers on what it means in a real-life context...”

According to Equifax, the solution will help quick affordability assessments by allowing individuals to submit their bank transaction information electronically, in less than five minutes, during an application for credit.

Jake Ranson, CMO at Equifax, says: “Part of the open banking challenge is educating consumers on what it means in a real-life context, and a streamlined credit application process that helps them get a faster decision is a great example.”

Each submission is presented directly to HSBC UK's underwriting team in real-time, providing the bank with view of a customer's affordability and offering faster lending decisions.

Equifax says InterConnect collates consumer current account transaction information from its third party fintech partners, classified according to UK Financial Conduct Authority (FCA) guideline categories; committed spend, basic quality of living, essential spend, and discretionary spend.

Also today (17 May), account information service provider (AISP) Consents Online revealed it will provide HSBC UK with access to the transaction data of consumers from other organisations under the UK's open banking programme.

Last week, Equifax submitted a letter to several US Congressional committees providing additional detail on the data elements impacted in its 2017 cybersecurity incident.

<https://futurism.com/goldman-sachs-launched-new-cryptocurrency/>



# **FINANCIAL MANAGEMENT SOLUTIONS**



## identitii teams with RPA firm Blue Prism

### Financial Management Solutions

5/24/18

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Information sharing firm identitii has joined forces with robotic process automation (RPA) company Blue Prism. Together, the two will design technology to help FIs digitise and automate corporate payment and trade transaction processes – including an audit trail – in an effort to better detect fraud, reports David Penn at Finovate.

identitii will integrate its verification engine, Integrity, and its permission data sharing capabilities into Blue Prism's Digital Workforce, which is used by businesses to automate work processes. This will help businesses better organise and verify the data required in typically manual, time-consuming processes like cross-border corporate transactions, as well as provide for needed anti-money laundering (AML) review and financial crimes sanctions checking.

Blue Prism's Digital Workforce enables businesses to automate tasks such as collection and management of documentation across multiple legacy systems. Businesses using the platform can leverage artificial intelligence (AI), machine learning, intelligent automation, and sentiment analysis to improve processes, share information more securely, and provide clearer, more detailed reporting for compliance purposes.

Founded in 2014, identitii also offers Serra – a permissioned, append-only, federated database designed for the financial industry. Using distributed ledger technology (DLT) and relational and graph databases, identitii Serra enables FIs to exchange information in a way that is both secure and auditable.

identitii raised an undisclosed amount from the Lind Partners in January 2017. The company supports offices in Sydney, Australia, and in Singapore.

<https://www.bankingtech.com/2018/05/identitii-teams-with-rpa-firm-blue-prism/>

## Microsoft partners with Accenture and Avanade to build vertical AI services

### Financial Management Solutions

5/22/18

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The partnership, announced May 22, builds on custom virtual-support agents that Microsoft has been developing for customers like HP and Macy's. That custom agent work, which Microsoft dubbed "Dynamics 365 AI solutions," doesn't have anything to do with Dynamics 365, Microsoft's CRM/ERP offerings. (I'm guessing Microsoft went with the Dynamics 365 branding for this because Dynamics is about customer support.)

Microsoft has been building custom agents for enterprise customers using the Microsoft Knowledge Graph, Bing data and Microsoft's machine-reading technology.

Microsoft is going to work with Accenture's Applied Intelligence group to build custom AI solutions aimed at the consumer-packaged goods market, telecommunications and retail, according to a blog post by Gavriella Schuster, Microsoft Corporate Vice President, Commercial Partner Channels & Programs.

By combining Accenture's "Intelligent Customer Engagement (ICE) framework with Microsoft's AI Solution for Care, the pair will enable digital assistants "to better understand and respond to thousands of different customers' needs," Schuster wrote. Microsoft and Accenture also will bring the Accenture Intelligent Revenue Growth (IRG) offering onto Microsoft's AI platform for the packaged-goods market. IRG "uses machine learning to allow sales departments to identify opportunities and deploy them in the market up to ten times faster," Schuster's post said.

For those wondering what officially constitutes Microsoft's "AI platform," it includes AI tools, such as Visual Studio Code Tools for AI, the AI Toolkit for Azure IoT Edge and its Machine Learning Studio; AI frameworks including the Azure Cognitive Toolkit and the Onnx format; and "AI-related infrastructure," which Microsoft identifies as everything from Azure Cosmos DB, to the Azure SQL Database, Azure Kubernetes Service, its Data Lake Store and IoT Edge service.

Microsoft, Avanade and Accenture are working together to create a pooled team of data scientists, engineers and architects who can provide early access to Microsoft AI technology. Accenture has 19,500 people currently involved in its Accenture Applied Intelligence practice, and Microsoft has more than 8,000 employees focused on AI and AI-related research. Avanade, a joint venture created by Accenture and Microsoft in 2000, also has a strong AI focus.

<https://www.zdnet.com/article/microsoft-partners-with-accenture-and-avanade-to-build-vertical-ai-services/>

## PensionBee hopes to gain new customers through a partnership with Perkbox

### Financial Management Solutions

5/17/18

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PensionBee, a London-based online pension manager, has partnered up with an employee benefits company Perkbox. Clare Reilly, the head of corporate development at PensionBee, explained the logic behind the new collaboration to Altfi.

“Perkbox is partnering with people who will help improve the financial well-being of employees. And we come from it at an angle, where people have 11-12 jobs in their lifetime now and 11-12 pension pots spread out all over the place. So, people don’t necessarily feel like they’re in control of their future. We help people gain control,” she said.

Over 500,000 employees have access to Perkbox’s services, so the partnership has potential to greatly increase PensionBee’s customer base. Currently, 85,000 people have signed up to PensionBee, with 20,000 of those accounts being active.

PensionBee has previously struck up partnerships with digital banking apps Revolut and Starling, which are popular among millennials. But the pension company doesn’t want to limit itself to young adults.

PensionBee’s typical user is 37 years old and, according to Reilly, the average age is gradually growing as the service is getting more popular. People approaching the midpoint of their careers are more likely to need PensionBee’s services than young employees in their first or second job. This is why Perkbox, which counts about 10,000 employers as their customers, is a useful new ally helping PensionBee grow. When new customers sign up to PensionBee with Perkbox they get a £50 contribution to their pension.

PensionBee’s business idea is to consolidate the pension pots together into one plan. PensionBee, a startup of about 30 employees, doesn’t manage employees’ pension money itself. Instead, it relies on experienced industry giants BlackRock, State Street and Legal & General.

“Operating in an industry which has a low level of trust, it’s extremely important for us to offer protection to our customers. We’re asking people to move their life savings, so they need to be able to be confident that their money is protected in the event of something happening to us,” Reilly explained.

PensionBee has even prepared for a global crisis scenario where one of the giants might go under.

“If one of these large money managers would cease to exist, your money would be compensated 100 per cent with no upper limit. This is because we structured our pension plans as long-term

insurance contracts. Financial Services Compensation Scheme will honour those contracts with no upper limit.”

PensionBee’s customers can choose from three different plans with annual fees ranging from 0.5 per cent to 0.95 per cent.

“This is the way we make money. But the difference with us is that we only charge one fee. It’s common across the industry to charge a number of different fees and not even disclose all of those,” Reilly said.

According to her, PensionBee can provide competitive fees because of technology.

“We’ve built a product that’s scalable to people with very small pots of money or big pots of money. We are completely cloud-based using Salesforce for our processes. We have also invested heavily in automation whereas a lot of the processes in the industry are manual, which means they don’t scale very easily and require higher fees.”

At the end of last year, PensionBee had £100m of assets under management, with a further £125m of pensions waiting to be transferred. The company will release the most recent numbers in the coming weeks.

“If things continue as they have, we should be profitable this year,” Reilly said.

<http://www.altfi.com/article/4441>



# HEALTHCARE TECH

## Patientco launches cloud-based validated P2PE payment terminals with seamless epic credit card device framework integration

Healthcare Tech

5/24/18

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Patientco, the leading healthcare payments technology company that helps health systems deliver a superior patient financial experience and increase patient revenue, announced today it has developed and deployed the market's first cloud-based validated point-to-point encrypted (vP2PE) EMV terminals with advanced seamless integration into EPIC's EHR technology. Working with EPIC and South Georgia Medical Center (SGMC) in Valdosta, Georgia, Patientco developed the technology to provide maximum security while providing simplicity for the SGMC staff.

“Launching Patientco's payment technology across our health system has been a big win for us as we roll out EPIC,” said Jane Sirmans, director of Patient Financial Services at South Georgia Medical Center. “Its seamless integration with EPIC made everything easy. This technology will help us provide a better financial experience for our patients while maximizing collections – which is good for everyone.”

Patientco's cloud-based vP2PE terminals enable:

- Secure acceptance of all point-of-service payments within EPIC;
- Seamless integration into EPIC's credit card device framework;
- Optimized EPIC workflows;
- Remote terminal management;
- Class-leading PCI and HIPAA security;
- Automated daily bank account reconciliation;
- Automated posting to patient accounts;
- Detailed location-based payment reports.

“Patientco is excited to take our payments integration with EPIC to the next level,” said Joshua Silver, chief solutions officer at Patientco. “We are dedicated to providing maximum security for our healthcare clients and their patients while making it simple to use Patientco technology with their core systems. In addition to added security and convenience, this market-first innovation also eliminates the IT burden from health systems since we take the responsibility of managing everything remotely.”

<https://www.businesswire.com/news/home/20180524005650/en/Patientco-Launches-Cloud-based-Validated-P2PE-Payment-Terminals>

## InnerScope Hearing Technologies, Inc. announces Klarna Bank as a financing partner

Healthcare Tech

5/18/18

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Hearing Technologies InnerScopeInc. (OTCQB:INND) announced today the complete integration of [www.Klarna.com](http://www.Klarna.com) for a simple and easy one-click payment solutions for its online customers who shop at [www.hearingbenefit.com](http://www.hearingbenefit.com) and [www.nohasslehearing.com](http://www.nohasslehearing.com) websites.

Using [www.Klarna.com](http://www.Klarna.com) and its checkout platform for all payment methods gives InnerScope the ability to offer instant affordable on-line payment and financing options which is risk-free for both the Company and its customers. Klarna, not only assumes 100% all customers risk so that the Company always gets paid immediately, but also assumes all risk for the Company through its Buyers Protection Policy.

InnerScope and Klarna have teamed up to offer a frictionless one-click checkout solution which gives customers a choice of 2 simple no-hassle payment options, Pay Now, or Slice It options.

- The Pay Now option is for customers who want to pay in full at checkout can do it quickly and securely with a credit/debit card.
- The Slice it option with its instant financing and a quick and simple credit application process allowing the customers to spread the cost of their purchases over a 6 to 24-month period at 0% annual percent rate ("APR"), depending on transaction value, giving them flexibility and increased purchasing power.

"Klarna Bank is exactly what we were looking for to offer our eCommerce customers" said Matthew Moore, CEO of InnerScope Hearing Technologies. "We knew that nearly 50% of consumers want the option to pay over time when shopping online and that over 75% of consumers would choose to shop with a merchant that offers online financing over one that didn't. However, with only 14% of of the 48 million people in the U.S alone that suffer from hearing loss is using any assistive hearing product, mainly due to high cost and access to affordable hearing assistive devices, we knew that we had to make it simple, easy and affordable for the hearing-impaired community to purchase our hearing products."

"Since we have launched our eCommerce stores, we have literally talked to hundreds of our online shoppers and found the number one request was a flexible easy payment and financing programs. We believe adding a hassle-free online consumer financing program like Klarna will increase sales and in-turn we get to help more people to hear better. With Klarna, InnerScope now can offer hearing solutions starting as low as \$27 dollars a month with no interest. In addition, both InnerScope and Klarna developers are currently working on a custom integrated checkout system for greater ease of simplicity and accessibility specifically geared to the older hearing-impaired population.

InnerScope is continuing to offer the hearing-impaired community more affordable options and access to a variety of different hearing assistive and hearing aid device products through [www.hearingbenefit.com](http://www.hearingbenefit.com) and [www.nohasslehearing.com](http://www.nohasslehearing.com) online stores", Mr. Moore concluded.

<https://globenewswire.com/news-release/2018/05/18/1508768/0/en/InnerScope-Hearing-Technologies-Inc-Announces-Klarna-Bank-as-a-Financing-Partner-for-an-Easy-Payment-Solutions-for-its-Online-Shoppers.html>





# INSURANCE

## Age of insurtechs poses unique challenges for surplus lines insurance industry

### Insurance

5/23/18

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Over the last year or so, the insurance industry has seen technological advances driving new products and distribution means to market. We have seen InsurTech blossom from a term to describe the intersection between disruptive technology and traditional insurance products and marketplaces into a full-fledged movement to revolutionize the way insurance coverage is marketed, sold and provided, with industrywide conferences taking the country by storm. In 2017, InsurTech carrier, venture capital funded startups such as Slice and Lemonade made headlines on a regular basis for their innovative use of technology within the insurance industry through online and app-based distribution of coverage.

While a number of admitted insurance products are currently offered through InsurTech companies, the surplus lines insurance market, as evidenced by its significant growth in 2017, has ample incentive and opportunity to similarly expand and evolve with improved technology as well, according to the Surplus Lines Stamping Office of Texas' eNews, 2017 Record Breaking Year in Surplus Lines Market. However, the meaningful deployment of new technology poses unique challenges for the surplus lines market that are not always the same as those in the admitted insurance market. While surplus lines insurers are afforded great flexibility to adapt to the changing marketplace, they are also constrained by certain procedural obligations and restrictions not applicable to admitted insurers, such as having to comply with the diligent search requirement and prohibitions on advertising and direct contact with insurance customers.

In most U.S. jurisdictions, to place insurance coverage on a surplus lines basis, the surplus lines insurance broker must conduct a "diligent search" of the admitted insurance market to determine if comparable coverage is available through an authorized insurer, i.e., establish admitted market unavailability for the desired insurance product. The diligent search requirements vary among jurisdictions but commonly include the broker's filing of an affidavit confirming that declinations have been obtained from three separate and unaffiliated admitted insurers (e.g., Cal. Ins. Code § 1763(b)). Generally, the diligent search is not satisfied simply because no admitted insurer offers the same insurance coverage at the premium rate offered by the surplus lines insurer; rather, the coverage must actually be different somehow in scope or substance from those kinds of coverages available in the admitted insurance market (e.g., Or. Rev. Stat. § 735.410 and Cal. Code Regs. tit. 10, § 2138).

The emergence of delivery platforms whereby consumers can bind coverage directly through online applications with the click of a button (or a tap of their smartphone) has transformed the delivery process of a variety of products. However, the surplus lines insurance industry faces the unique challenge of satisfying the diligent search requirement in connection with this mode of policy delivery. Unless the insured requesting coverage meets an "exempt commercial purchaser," "industrial insured" or other state-recognized exemption from the diligent search

requirement, a surplus lines broker is still required to survey the admitted market before placing coverage each time an insured requests nonadmitted coverage. This, of course, poses a substantial challenge to the offering of such products as the process will be naturally disrupted until the broker obtains satisfactory declinations.

Make no mistake, this is not an issue of formality over substance. A number of surplus lines associations across the country have been raising concerns with InsurTech companies and other market participants regarding proper compliance with the diligent search requirement.

Daniel Maher, executive director of the Excess Lines Association of New York, notes that “this is a really fundamental issue. Our technology is moving ahead at an incredible pace...We have met with InsurTech companies, and they understand they have regulatory barriers and want to figure out how to do this the right way.”

In addition, the Washington Surplus Lines Association has stressed the importance of satisfying the diligent search requirement and that the emergence of online and app-based delivery products will not obfuscate the need for brokers to obtain their proper declinations.

### **Surplus Lines Advertising**

As technology advances, we are seeing more creative and digital methods of advertising. However, websites and web-based applications increasingly bring insurance participants closer than ever, which can have the consequence of impermissibly drawing attention to an unauthorized insurer.

Advertising restrictions on surplus insurers vary among jurisdictions. For example, in California, an eligible surplus lines insurer may advertise in the state, provided that its unlicensed status is disclosed and that the advertisement is not misleading, does not contain information about premiums or rates and, if the advertisement is made in any medium of general circulation, no specific product is mentioned (Cal Ins. Code § 703.1(a)).

New York expressly prohibits any person from calling attention to a surplus lines insurer by advertisement or public announcement in the state but does recognize exceptions if a disclaimer is made that the insurer is not licensed in the state, does not solicit business in New York and such advertisement is in a national publication not aimed at New York residents (N.Y. O.G.C. Opin. No. 2003-19).

With the offering of on-demand and other web-based products, additional advertising risks present themselves in ways that would have been unimaginable even a few years ago. For example, a website maintained by a surplus lines insurance company may be considered an advertisement and could potentially violate applicable law if not structured properly. Surplus lines brokers must also be cautious of advertising standards as well.

<https://www.insurancejournal.com/news/national/2018/05/17/489575.htm>

## Insurers' digital timeline speeds up with pressure from big tech

### Insurance

5/22/18

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Nearly a third of consumers would be open to purchasing insurance from big tech firms such as Amazon and Apple, according to the new World Insurance Report 2018 from Capgemini in collaboration with Efma.

This is a sharp increase compared to the last three years, up 69% since 2015. According to Seth Rachlin, EVP and P&C insurance lead at Capgemini, this rate of change highlights the continuing divide in expectations around customer experience between the younger, tech-savvy generation and the rest of the population.

While there is good news in the sense that overall policyholder satisfaction is a bit better than last year, he explains, a divide persists. The insurance industry needs to recognize the report's finding as being indicative of customers' decreased brand loyalty, he prescribes.

"Insurers are forced to deal with and operate for two very different kinds of customers, while providing a holistic experience across populations," Rachlin says. "I was talking to a leader at one of the big Tier 1 insurers in the U.S. and she described it perfectly, saying the mission for the insurance company is less about reinventing its own value chain and more about how do you become part of everybody's else's value chain."

However, there remains an open question as to whether big tech firms will want to be risk-owning, risk-bearing entities, or whether they will see insurance as another product they can distribute and insurers will effectively become their partners.

"From a market perspective, there is a lot of hype and buzz right now within insurance around digital and insurtech and around disruption and startups. There is a broader recognition that distribution has fundamentally changed, with big tech companies are players and other financial services entities in the mix," Rachlin says. "Digital technology should enable an open platform for insurance distribution where all partnership and affiliations drive the product to market to tech-savvy, Gen Y customers."

In response to these challenges, the report found that leading North American insurers are investing significantly in microservice enablements of their core transactional platforms, using APIs to expose the core functions of various claim activities.

"The impetus to do that is to have a more nimble [enterprise that] is better able to experiment with all of these new distribution vehicles and potential partnerships, whether that is becoming part of an online banking experience or a mortgage experience," says Rachlin. "All of those potential

connection points can become enabled if they have the technology platform that makes it possible.”

Another important report finding was around the extent to which changes in digital operating models are becoming increasingly necessary.

“In terms of the ROI for digital initiatives and projects, we’ve moved from a place where everything was viewed in a five-year model, and now it’s a 12- to 24-month horizon, which is a sea change,” he says. “As a result, the operating models of the IT organizations at insurance companies are pivoting towards faster, more agile delivery.”

This, however, is hard work for most organizations, requiring different talent skills and going beyond a simple commitment to change. “Everybody’s looking to figure out how to scale agile within their environment,” he says. “But I think the hardest part is the people -- how to attract the best talent from the marketplace who want to truly innovate. That will be a persistent challenge.”

<https://www.dig-in.com/news/insurers-digital-timeline-speeds-up-with-pressure-from-big-tech>

## AIB introduces in-app travel insurance

### Insurance

5/21/18

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Irish bank AIB has added a new feature to its mobile app, enabling customers to buy travel insurance with a handful of clicks.

Customers can select single or multi trip insurance, and will get 30% off all annual policies when they buy via the AIB App or online before the end of July.

To use the service, customers confirm their existing details, input information about who is traveling, whether it is a single or multi trip, select the destination and confirm whether they have private health insurance. They then receive an email to confirm their policy details.

Sean Jevens, head, digital channel development, AIB, says: "Without leaving the App customers just need to click five times and they're insured for travelling to almost anywhere in the world."

[https://www.finextra.com/newsarticle/32129/aib-introduces-in-app-travel-insurance?utm\\_medium=dailynewsletter&utm\\_source=2018-5-22&member=93489](https://www.finextra.com/newsarticle/32129/aib-introduces-in-app-travel-insurance?utm_medium=dailynewsletter&utm_source=2018-5-22&member=93489)

## Insurtechs begin to converge with incumbents on core

### Insurance

5/21/18

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One of the most pressing questions that has arisen from the insurtech movement is this: Will insurtech startups have a need to utilize the incumbent tech market's capabilities? In the past three years, startups have been actively partnering with other startups, insurers, and tech incumbents. Partnerships, of course, come in many different flavors. The latest SMA research has revealed that startup MGAs and greenfield insurers are increasingly partnering with existing core systems providers – as clients.

The first wave of insurtech startups – most of which were focused on personal lines – tended to go it alone, developing their own core systems. Many of today's innovative new insurers and new MGAs have focused on commercial lines and see value in the core systems that incumbent insurers and MGAs already use. Their new core systems are increasingly coming from established core systems providers.

For the insurtechs, this means that they have access to expertise and content. Both are especially helpful for insurtech pursuing opportunities in commercial lines – which account for the vast majority of the startups who purchased new core systems last year. The earlier insurtech startups targeted personal lines and life/health ventures. Today, more startups pursue the significant opportunities in commercial business.

To compete in commercial lines, these startups need to have the robust capabilities that support the various new products being brought to market. Time to value is critical, and the content (rates, rules, and forms) provided by tech incumbents' agile core systems can increase their speed to market. In addition, the expertise of their new vendor partners can be a valuable resource to help them navigate the complexity of the commercial market.

As SMA detailed in our recent report, Core Systems Purchasing to Thrive in the Digital World: What's Hot – And What's Not, 12% of all new P&C core systems sold in 2017 were bought by startup MGAs and greenfield insurers. We expect them to be a stronger presence in 2018 and onward, creating substantial benefits for startup and incumbent tech providers alike and opportunities in new spaces for all forms of partnerships. As this new market wave continues, the creativity and capabilities of all will be needed to support the insurance business moving forward.

<https://www.dig-in.com/opinion/insurtechs-find-common-ground-with-incumbents-on-core>

## The Hanover partners with insurtech CoverWallet on business insurance

### Insurance

5/18/18

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The Hanover has deployed CoverWallet's newly launched business-to-business insurance platform, allowing agents to manage entire commercial policy lifecycles with minimal data input from customers.

The startup, which also serves as an industry aggregator for businesses looking to purchase coverage, will provide real-time quoting, underwriting, binding and billing to The Hanover — the first industry user of its online software. The insurer intends to use its new technology to address the friction independent agents regularly encounter when selling coverage to small business owners, such as yoga instructors, tech consultants and fitness trainers.

“Agents traditionally work as the middle men between the insurer and the customer, and that can cause longer turnaround times on policies that only generate \$300 to \$500 quotes,” said Willard Lee, The Hanover's chief business innovation officer. “Economically speaking, it's tough to have hundreds of these clients at once and service each one in that way.”

Using CoverWallet's platform, The Hanover will utilize in-house and third-party data to limit the amount of questions asked of prospective clients. Agents' roles in the small commercial space are now two-prong: servicing customers after the policy is issued and pushing people to the revamped website through affinity groups and social media marketing. Agents are then able to spend that saved time to bring in larger, more complicated business typically generating premiums of up to \$5,000 or more, Lee says.

“We will continue to sell through independent agents,” he added. “But we envision them using CoverWallet's platform as a customer acquisition tool to bring traffic to the site on smaller business [companies of less than five employees].”

Prior to the companies' reached agreement earlier this month, The Hanover ran multiple pilots with existing retail agent partners. Each agent moved to the new platform reported cost savings and better efficiency, Lee said. The Hanover's overarching goal is to green light several proofs of concepts focused on customer experience in the small commercial space, while applying those learnings to its larger business.

“Through the micro segment, we can learn the UX piece of the puzzle, and apply that to our larger clients,” Lee concluded. “It'll be the same experience smaller businesses get, but more profitable from an underwriting standpoint.”

<https://www.dig-in.com/news/the-hanover-partners-with-insurtech-coverwallet-on-business-insurance>





# PAYMENTS

## ShopKeep launches on Android to broaden hardware options

### Payments

5/24/18

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Point of sale (POS) technology provider ShopKeep is offering its small business clients more options with an Android version of its software, reports Julie Muhn at Finovate.

The company's plan with the new Android version of the ShopKeep Register app is to broaden the hardware choices for small and independent business owners.

ShopKeep currently serves more than 25,000 independent retailers and restaurants and aims to lower start-up costs for entrepreneurs, who can now buy a turnkey hardware solution for \$499.

Until the announcement, the New York-based company had deployed its app exclusively on Apple's iOS platform. ShopKeep, which originally partnered with First Data in Q1 2017, is piloting the Android launch on First Data's Clover Mini device.

It will be available on the larger Clover Station in the third quarter of this year. ShopKeep also plans to use additional partnerships to deploy its Register app on other devices later this year.

The company supports more than 289 million transactions annually and has processed \$7 billion in transaction volume since it was founded in 2008.

Last month, ShopKeep expanded its payment processing capabilities to include TSYS' ProPay.

<https://www.bankingtech.com/2018/05/shopkeep-launches-on-android-to-broaden-hardware-options/>

## ACI Worldwide unveils ACI Case Management powered by i-Sight

### Payments

5/23/18

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ACI Worldwide (NASDAQ: ACIW), a leading global provider of real-time electronic payment and banking solutions, and i-Sight, a global leader in the provision of web-based investigative case management software, have partnered to deliver next-generation ACI Case Management. ACI Case Management is part of the UP Payments Risk Management solution supporting both on-premise and cloud deployments. With ACI Case Management, organizations can ensure the implementation of proper process controls and immediate access to relevant transaction, customer, and fraud data crucial to identifying, investigating, managing and reducing financial exposure, and mitigating direct and indirect fraud losses.

Timely intelligence is critical to helping arrest losses, and organizations that overlook key fraud and compliance indicators risk substantially damaging their bottom line and contributing to a poor customer experience. With ACI Case Management, drag and drop reporting, optimized workflow rules and evidence management can be easily accessed through the solution's mobile-friendly platform – making access to case data and pertinent timeline reminders invaluable.

With ACI Case Management powered by i-Sight, organizations can streamline the investigative workflow and rapidly create new cases, quickly manage tasks and easily conduct analysis. A logical and structured workflow ensures that all steps are tracked and completed, deadlines are met and stakeholders are informed. Using new visualization tools and techniques to map out data, businesses can identify patterns and trends and align actions with business strategy.

“Whether it’s anti-fraud controls or compliance cases, the need for organizations to easily manage investigations efficiently and on a timely basis is critical,” said Joe Gerard, CEO, i-Sight. “Our efficient workflow, convenient mobile access and lightning-fast reporting have saved our clients millions of hours on case management and investigations. Now as part of ACI’s UP Payments Risk Management solution, organizations have a comprehensive approach for managing financial fraud and staying compliant.”

“In the prevention of financial crimes, it’s no longer just about fraud protection, rather organizations must address compliance and customer experience as part of their response,” said Andreas Suma, vice president, payments risk management, ACI Worldwide. “Failing to comply with anti-money laundering (AML) and know-your-customer (KYC) compliance issues can cost institutions tens of millions of dollars. Moreover, a frictionless customer experience is crucial to the survival of the business. With i-Sight, we can better serve and augment our clients’ compliance policies and practices to be consistent with regulations, address financial fraud, and ensure a better customer experience, thereby mitigating potentially costly penalties.”

ACI's UP Payments Risk Management solution suite, which includes ACI's award-winning Proactive Risk Manager, provides comprehensive enterprise fraud management capabilities. The solution suite includes advanced machine learning, predictive analytics and case management to help card issuers, acquirers and financial institutions identify, mitigate and report on financial fraud.

<https://www.businesswire.com/news/home/20180523005227/en/ACI-Worldwide-Unveils-ACI-Case-Management-Powered>

## Revolut adds support for XRP and Bitcoin Cash

### Payments

5/23/18

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Revolut is advancing deeper into the cryptocurrency markets by adding support for XRP and Bitcoin Cash within its popular mobile app.

The new virtual currencies join bitcoin, litecoin and ethereum, which were made available for customers to conduct in-app exchanges for fiat in December.

The addition of XRP and Bitcoin Cash follows surging demand for the Ripple-backed coin and bitcoin spin-off as investors seek to diversify their holdings and spot the next big earner. Revolut reckons the new facility will help it to steal a march on traditional crypto exchange like Coinbase, which continue to shy away from the newer market entrants.

Vlad Yatsenko, co-founder & CTO of Revolut says: “We’ve been asking the Revolut community which cryptocurrencies they would like to see next, and the demand for both XRP and Bitcoin Cash has been absolutely overwhelming. After months of negotiations and development work, we’re incredibly excited to offer exposure to these two digital currencies to the UK market.”

Revolut claims it is currently conducting 100,000 cryptocurrency transactions per day, for which it charges a 1.5% exchange fee.

Last week, the company also launched a new savings feature called Vaults, which allows customer to round up their card payments to the nearest whole number and save up their spare change in cryptocurrencies. Revolut says more than 50,000 of its 1.8 million customers have signed up for a Vault since launch.

[https://www.finextra.com/newsarticle/32150/revolut-adds-support-for-xrp-and-bitcoin-cash?utm\\_medium=newsflash&utm\\_source=2018-5-24&member=93489](https://www.finextra.com/newsarticle/32150/revolut-adds-support-for-xrp-and-bitcoin-cash?utm_medium=newsflash&utm_source=2018-5-24&member=93489)

## Sage integrates PayPal

### Payments

5/23/18

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Sage (FTSE: SGE), the market leader in cloud business management solutions, today announced it is partnering with PayPal, to enable faster and simpler payment options.

An integration of PayPal, the global payments provider, as a payment option on Sage 50cloud, enables users of Sage 50cloud to offer their customers a secure online payment method, making financial transactions easier and, quicker.

The integration of Sage 50cloud with PayPal gives businesses more choice by providing an integrated way of getting paid quicker and improving cash flow. PayPal has 237 million active account holders globally, with over 24 million in the UK, meaning customers can easily sign-up to PayPal and start to accept payments with a business account, making it one of the most flexible methods of digital payment. Simple to activate, once the account has been set up, Sage 50cloud customers can start taking payments on invoices straight away.

Recent studies have shown that small businesses spend up to 120 days a year on administrative tasks, and with up to 15 days spent on chasing late payments, and with 11% of all invoices paid to small and medium businesses globally are paid outside payment terms. With Sage 50cloud and PayPal, businesses can reduce the time spent on chasing those late payments, and with built in auto reconciliation, accounts are automatically updated reducing time spent on administration. Seamus Smith, EVP of Global Payments and Banking, Sage, said: “Our partnership with PayPal is another great example of how we can support businesses who want simple, accessible and flexible ways of managing money. We have created a partnership with a world-leading payment provider to offer a secure and easy way for customers to pay, by adding a 'pay now' button to invoices. I'm excited about the potential opportunities provided through this partnership to further drive customer success.”

Nicola Longfield, Senior Director of Small and Medium Business and Partnerships, PayPal, said: “For small businesses looking to grow, time and money are both paramount. PayPal has the solution to support a business with payments online, on a mobile device, in an app or in person and our integration with Sage continues our commitment to create by better ways to manage and move money, at the same time as offering choice and flexibility when making payments or getting paid.”

The integration is currently live in Canada, Germany, UK and US.

[https://www.finextra.com/pressarticle/74017/sage-integrates-paypal?utm\\_medium=dailynewsletter&utm\\_source=2018-5-24&member=93489](https://www.finextra.com/pressarticle/74017/sage-integrates-paypal?utm_medium=dailynewsletter&utm_source=2018-5-24&member=93489)

## Bluefin and Paya partner to offer secure, PCI-validated Point-to-Point Encryption (P2PE)

### Payments

5/22/18

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Bluefin, the leading provider of payment security solutions, today announced its partnership with Paya (pie-ya), Inc. a leading integrated payments processing and business solutions provider. Paya will provide Bluefin's PCI-validated Point-to-Point Encryption (P2PE) security solution to partners and customers using Paya's Payments Platform.

With a payment processing legacy of more than two decades, Paya uses its connectivity suite and data capabilities to create amazing experiences and transaction visibility for its clients. Paya's Payments Platform offers the confidence that their business and their customers' transaction data is secure in-store, online, or on-the-go. Through its partnership with Bluefin, Paya further strengthens its enhanced security suite while reducing PCI scope for clients without any changes to the payment transaction flow.

Bluefin enables PCI-validated P2PE on partner platforms using their Decryptx® Decryption as a Service (DaaS) product, which allows gateways, applications, and processors to connect directly to Bluefin for P2PE service.

"2017 closed out with a record 1,579 data breaches in the U.S. and over 178 million consumer records compromised," said Greg Cornwell, Head of Bluefin's Global Sales. "And if 2017 taught us anything, it is that fraudsters do not care if you are a restaurant, retailer, healthcare organization, or enterprise. As long as you process credit card payments, you are their target. Bluefin's P2PE solution is ideal for any company or organization looking to secure its in-person, mobile, and call center credit card and debit card payments. We could not be more pleased to partner with an esteemed provider such as Paya to enable PCI-validated P2PE for their clients."

Bluefin's PCI-validated P2PE solution secures credit and debit card transactions by encrypting all data within a PCI-approved point of entry device, preventing clear-text cardholder data from being available within the device, or in the merchant's system where exposure to malware is possible. Data decryption always occurs offsite in a Bluefin hardware security module (HSM).

"As a trusted technology partner we provide exceptional business solutions in the payments domain. Naturally, data security constitutes an essential part of our solutions," said Peter Helderman, Director of Product Management, Payment Acceptance and Security at Paya. "Payment data can be some of the most sought after by hackers. Whereas our baseline solutions already provide solid protection to our merchants, our partnership with Bluefin provides us with the opportunity of offering a fully PCI assessed and listed solution."

<https://www.prweb.com/releases/2018/05/prweb15505994.htm>

## Efis turns to Swift for instant payments

### Payments

5/22/18

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SWIFT announced today that EFiS, the longest serving SWIFT Service Bureau in the EU, has selected SWIFT to provide connectivity to the Eurosystem's TIPS and EBA Clearing's RT1 for instant payments within the euro-area.

As a leading provider for Global Payment Logistics, EFiS will offer its service under the agenda "Banks for TIPS" to its bank clients. The pilot phase will begin in September 2018.

Alain Raes, Chief Executive of Europe, Middle East & Africa, SWIFT said: "Europe has taken important steps to ensure that customers and corporates can benefit from instant payments and we are pleased to be able to connect our customers to such critical infrastructures. Our solution is designed to meet the current and future messaging needs of our customers in Europe and in the rest of the world."

"With TIPS and SEPA 2.0, payments are prepared for digitisation on a technical level. Now they need to be implemented for business on the organisational level, too. This is what we ensure via our connectivity. The enhancement of the SWIFT-infrastructure is especially important for Corporates as global players. EFiS has also always been one of the first providers globally of new SWIFT features. So it was natural for us to seize the opportunity and to become the first Service Bureau in Europe to pilot SWIFTNet Instant," said Armin Gerhardt, Managing Director of EFiS.

SWIFTNet Instant - meeting the messaging needs of the future

Launching in November 2018 to coincide with the launch of TARGET Instant Payment Settlement (TIPS), the euro real-time payments service commissioned by the Eurosystem, SWIFT's new messaging service will allow instant payments to be made in euros across Europe through both TIPS and EBA CLEARING's RT1 instant payments system.

With a global reach connecting more than 11,000 banking and securities organisations, market infrastructures and corporate customers in over 200 countries and territories, SWIFT is well placed to deliver the infrastructure necessary to facilitate instant payments efficiently and with minimal integration.

SWIFT is supporting customers as they move to meet the Eurosystem's 2020 vision, which envisages access to TARGET2, TARGET2 for Securities and TIPS through the Eurosystem Single Market Infrastructure Gateway (ESMIG). SWIFT's solution is designed to provide customers with a single gateway to connect seamlessly to multiple instant payment systems in Europe and beyond.

SWIFT's global instant payments strategy



The provision of an instant payments messaging service for the euro area is the latest step in SWIFT's global instant payments strategy that leverages innovative technology to enable real-time payments to be made over the SWIFT network while also re-using existing infrastructure, ensuring a future-proof messaging solution that is easy to implement and maintain.

In February, SWIFT revolutionised Australian real time payments with the public launch of the country's New Payments Platform (NPP). SWIFT has already provided Hong-Kong financial institutions with a gateway to Hong Kong's Faster Payments System (FPS) and is providing a similar solution in the US to participants to The Clearing House's real-time payments platform.

SWIFT currently connects 85 of the 149 High Value Payments systems in the world, including CHAPS in the UK, TARGET2 in Europe and the SWIFT India Domestic Services.

[https://www.finextra.com/pressarticle/73982/efis-turns-to-swift-for-instant-payments?utm\\_medium=dailynewsletter&utm\\_source=2018-5-23&member=93489](https://www.finextra.com/pressarticle/73982/efis-turns-to-swift-for-instant-payments?utm_medium=dailynewsletter&utm_source=2018-5-23&member=93489)

## Tradeshift launches end-to-end cloud platform for supply chain payments & finance; includes blockchain-based financing

### Payments

5/21/18

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Business commerce platform Tradeshift announced on Monday the launch of its new end-to-end cloud platform to bring supply chain payments, supply chain finance, and blockchain-based early payments together into one unified end-to-end solution, Tradeshift Pay. According to Tradeshift, by using the single unified wallet, buyers can take advantage of a wide range of payment options, including virtual card payments of invoices and purchase orders, dynamic discounting, supply chain finance through bank partners, or blockchain-based payments.

While sharing more details about the platform, Christian Lanng, CEO and Co-founder of Tradeshift, stated:

“In an industry where 50% of US payments are check-based and companies around the world struggle to access finance and payments, Tradeshift Pay is a real enabler for the digitally connected economy. For the first time, businesses can go to one single wallet to handle all their payments, end-to-end, across all channels. And for the first time, you can do both regular and blockchain-based early payments in one platform in the cloud.”

Tradeshift also reported that with a platform that works both on and off blockchain, businesses can give smaller unbanked business and companies access to electronic payments and finance, anywhere in the world. And companies can get paid much faster, from an average of 30-45 days in EU and US down to a couple of days, helping address the \$9 trillion supply chain liquidity problem. Tradeshift added that Tradeshift Pay is supported by more than a dozen major banks and card providers, including HSBC, Santander, and CreditEase.

<https://www.crowdfundinsider.com/2018/05/133717-tradeshift-launches-end-to-end-cloud-platform-for-supply-chain-payments-includes-blockchain-based-financing/amp/>



**SECURITIES**

## Fidelity introduces Cora, a VR financial agent

### Securities

5/21/18

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If customers start demanding visits with their advisors in virtual reality, Fidelity wants to be ready. In a proof-of-concept, the investment company's research and development division built a virtual "financial agent" that can interact with a client's vocal commands.

The agent, called Cora, greets users in a VR environment and pulls up charts based on spoken cues. On the surface, it's a test of Fidelity's ability to create virtual data visualizations that are integrated with voice commands, said Adam Schouela, head of the company's emerging technology group.

The project, which is a collaboration between Fidelity and Amazon, which provided the VR environment and vocal command technology via Alexa and Polly, is part of a larger look at "high-level" virtual reality use cases that could "potentially displace some of the legacy technologies," Schouela said. It includes using technology for consumer education and more nuanced employee training, as well deepening client relationships with the firm and its advisors.

In fact, the immersive empathy module developed by Schouela's team last year already graduated into a pilot project that's been expanded regionally to train Fidelity employees. In the module, trainees are immersed in a 360-degree photorealistic scenario of a client hunched over a stack of medical bills—a scene that might be a reality for a Fidelity client calling customer support. The trainee then interacts with the client in a "choose-your-own-adventure" type experience, eventually seeing the outcome of the assistance provided. The module is designed to remind trainees of the human faces behind the calls they get.

The emerging technology uses cases selected by Fidelity, based on three- to five-year predictions where humans and technology will interact. "We want to be where our customers are," said Schouela. Schouela also noted that they've now effectively created a virtual space that future clients and advisors could use as a virtual meeting room. With VR technology becoming cheaper and more widespread, he observed, it's a possibility that's on the horizon.

It's a smart curve to get ahead of, say virtual reality stakeholders. "It's a bit early to say just how VR will catch on in finance, but I think it can go a long way to developing the trust and transparency that are so crucial to successful client interactions," said Ebbe Altberg, CEO of Linden Lab, the company behind the online virtual world, Second Life, and developer of the social VR platform Sansar. "Putting an actual avatar to a large, faceless banking entity can make a client feel heard, cared for, and comforted, and can lead to deeper relationships over time."

Other technology observers say an experiment like Cora may be a little premature, especially with how few people are actually interacting at all inside of virtual reality environments—much less around something as personal as financial services. "I think it's extremely early for them to be

doing this, because there just aren't masses of people online [in virtual environments]," said Charlie Fink, an emerging technology critic and author of a guide to augmented and virtual reality. He thinks the technology is shaping up to follow the development pattern of the PC, which took years to go from an office luxury to a home necessity. "I don't think this is a bad idea, it's just all about timing," he added. "It's not fishing where the fish are, but it's fishing."

Still, the proof-of-concept shows that Fidelity is investing in longer-term technology bets. "VR enables a level of access and mobility not always available in the real world—making people feel closer and connected to others even if they happen to be miles and continents apart," noted Altberg. When it comes to human-based financial advice, Cora is one step that may help advisors, machines and finance all get a bit cozier.

<http://www.wealthmanagement.com/technology/fidelity-introduces-cora-vr-financial-agent>

## UK personal finance app Elifinty preps for launch

### Securities

5/18/18

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UK-based personal finance app Elifinty is readying for launch with the offer of improving financial well-being and rebuilding credit.

The firm uses artificial intelligence (AI) to offer custom, pre-approved financial solutions, including charitable options and debt consolidation services.

Elifinty was founded by Maysam Rizvi (CEO), a former banker who worked at JP Morgan and United Overseas Bank (UOB).

On its website, the start-up is looking for people to sign up to its services. There is no indication as to when it will launch or any plans for beta testing.

It is in the very early stages but says it helps users “connect with the right people who specialise in solving your problems”.

For example, the free app will offer alerts such as a credit card payment is due in three days or the user is reaching their bank’s overdraft limit.

Users can get help if declined a credit application; and via open banking, people can link all their accounts in one place.

It is also looking to partner with banks and charities.

For the first group, it aims to “reduce losses from difficult or defaulted accounts” and via APIs, connect to the bank’s mobile app.

Like many start-ups, Elifinty’s website looks trendy but is vague on details. However, it will be in batch nine of the Czech Republic-based acceleration programme StartupYard on 13 June. The latter says it has helped 58 companies since 2011.

Elifinty’s advisory board comprises people with plenty of experience of financial inclusion. Names include Damon Gibbons, CEO, Centre for Responsible Credit (CfRC) – a research and policy unit established in 2010; and Aidene Walsh, CEO, The Fairbanking Foundation – a research-based charity.

<https://www.bankingtech.com/2018/05/uk-personal-finance-app-elifinty-preps-for-launch/>

## With help from fintech, JPMorgan opens asset management to masses

### Securities

5/17/18

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JPMorgan Chase plans to offer sophisticated investments to a much broader clientele.

The bank is slashing requirements to participate in certain alternative investments that its asset management arm once offered mainly to institutions or the ultrarich. That will allow it to accommodate more allocations made through registered investment advisers.

The new minimum buy-in will be \$100,000, down from \$10 million previously, according to the company. Some additional accreditation requirements will still apply.

To make the change, the largest U.S. lender is using technology from iCapital Network. The online marketplace offers alternative investments, such as hedge funds, private-equity vehicles and real estate deals, to high-net-worth investors and their advisers.

The venture, which provides services for more than 12,000 accounts, has drawn interest from a number of big Wall Street firms. BlackRock, which works with iCapital, previously led an investment round that also included UBS Group AG and Morgan Stanley.

Technological advancements are making it easier for people to build portfolios without relying on human brokers who reap commissions, raising investment costs. For financial advisers, the ability to access a broader suite of products helps keep their clients engaged.

“Many high-net-worth investors continue to be under-allocated to alternatives relative to their institutional counterparts,” Anton Pil, managing partner of JPMorgan global alternatives, said in a statement.

“As we get later in the economic cycle, identifying alternative sources of return is an essential consideration for investors looking to build stronger portfolios.

<https://www.americanbanker.com/articles/with-help-from-fintech-jpmorgan-chase-opens-asset-management-to-masses>



# **SPECIALTY FINANCE / ALTERNATIVE LENDING**



## SoFi will get crypto investing by 2019, says CEO Anthony Noto

Specialty Finance / Alternative Lending

5/22/18

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SoFi CEO Anthony Noto says the "modern finance" company wants members to be able to invest in cryptocurrency as soon as 2019.

"We want to accelerate our investment in some new products, one of which is our wealth products, and we want to add cryptocurrency to that," Noto said on CNBC's "Power Lunch."

SoFi, short for "Social Finance," targets millennials with an array of modern banking products that Noto says help millennials "achieve financial independence and realize their ambitions." The company launched in 2011 with a focus on student loan refinancing, but has since pivoted toward more general banking solutions.

Formerly the chief operating officer of Twitter, Noto stepped in to his role at SoFi after co-founder and CEO Mike Cagney was forced out amid sexual harassment allegations.

According to Noto, SoFi has a big year planned, which starts with continuing to invest in core lending products, like student and personal loans products and mortgage products. By 2019, Noto said SoFi hopes to expand into home equity and brokerage, launch personal checking account SoFi Money, as well as, of course, getting into cryptocurrency.

"We hope it is something we can roll out with general availability in 2019, potentially sooner," Noto said.

SoFi claims to have 500,000 members and has made \$25 billion in loans to date. It has raised \$2.1 billion in funding, including \$500 million in a round led by Silver Lake Partners.

"If we can build the best value proposition for our members by being the fastest, having the best selection, having the best content and best convenience, ultimately, we will control our own destiny," Noto said.

<https://www.cnbc.com/2018/05/22/sofi-will-get-crypto-investing-by-2019-says-ceo-anthony-noto.html>

## Online lender Kabbage to launch payment services by year-end

Specialty Finance / Alternative Lending

5/22/18

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Kabbage Inc, a U.S. online lender for small businesses, plans to launch payment processing services by year-end, President Kathryn Petralia said on Monday, helping it to diversify and compete more directly with industry leaders PayPal Holdings Inc (PYPL.O) and Square Inc (SQ.N).

A customer opens his wallet at a cash register in New York November 26, 2010.  
REUTERS/Jessica Rinaldi

The Atlanta-based startup will offer tools to enable clients, mostly brick-and-mortar businesses, to accept card payments in-store and online, Petralia said in an interview.

“The monoline businesses have a hard time succeeding long term,” Petralia said, adding that Kabbage hopes the move would deepen its relationship with customers.

“We have seen a huge pain point around cash flow management,” she added, citing high monthly fees and lengthy contracts of payment services by other providers.

Launched in 2009, Kabbage is among a group of startups that use digital technologies to lower lending costs and offer credit faster than large banks.

Kabbage can help companies avoid lengthy credit card reader application processes because it already has information on their business, Petralia said.

In August Kabbage raised \$250 million from Softbank Group Corp (9984.T) to help it add lending products and other types of financial services. Kabbage also sells its lending technology to large banks looking to offer credit online.

PayPal and Square, which was founded by Twitter Inc’s (TWTR.N) Jack Dorsey, also offer loans to merchants. Payments processors use data on transactions they process for clients to make lending decisions.

PayPal made a strong push into small business lending in August when it acquired online lender Swift Financial. Last week it announced a deal to acquire Swedish payments company iZettle for \$2.2 billion, expanding into payments terminals.

<https://www.reuters.com/article/us-kabbage-payments/online-lender-kabbage-to-launch-payment-services-by-year-end-idUSKCN1IM2E5>

## LendInvest announces integration with payments platform Stripe to streamline loan application process

Specialty Finance / Alternative Lending

5/17/18

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On Thursday, specialist property finance lender LendInvest announced it has expanded on its long-term partnership with Stripe by integrated the payments platform in order to streamline its loan application process. According to the online lender, the new integration will be embedded in the primary stages of the buy-to-let loan application process. LendInvest reported:

“Stripe allows the broker to pay the valuation fee through LendInvest’s online buy-to-let portal immediately after the borrower’s application forms have been signed. This process was previously handled manually, with the case manager having to call the broker and then the borrower to arrange payment. Managing these payments centrally through LendInvest’s self-service online portal cuts down the overall time taken to complete the application, whilst providing a transparent way to track this stage of the application process.”

LendInvest noted that the integration has been fully implemented into the LendInvest Buy-to-Let portal, with roll-out planned for the business’ other loan products later this year. Ian Boden, Sales Director at LendInvest, stated:

“Integrating intuitive systems such as Stripe’s payment platform into our broker portal is another step towards consistently improving our speed to offer. By pulling all of these processes into one place, the portal reinforces its use as a ‘one-stop shop’ for brokers to access and manage a deal in an accessible, easy to use manner. Developing new and innovative ways to make the customer’s life easier should be a goal for all lenders, and one that remains at the heart of what we do.”

Stripe is now supporting the investment side of LendInvest by processing direct debit payments for its online investment platform.

<https://www.crowdfundinsider.com/2018/05/133557-lendinvest-announces-integration-with-payments-platform-stripe-to-streamline-loan-application-process/>



# **DATA & ANALYTICS / IoT**

## GoodData launches Spectrum UI tools

Data & Analytics / IoT

5/24/18

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Data analytics and insights company GoodData has launched a new tool that will help businesses transform their user interface (UI). GoodData Spectrum is a set of three user interaction frameworks that deliver insights to help support decision-making and change how organisations use analytics, reports Julie Muhn at Finovate.

The three frameworks are:

- GoodData.UI offers turnkey, commercial, open source, and custom components organisations can use to build their own custom apps.
- KPI Dashboards helps organisations track KPI changes over time and receive alerts when KPIs reach a certain threshold.
- Analytic Designer allows organisations to explore curated datasets and discover insights.

“Analytics within organisations today is no longer about one-size-fits-all with low adoption rather, analytics is now critical to everyday business success,” says Roman Stanek, CEO at GoodData.

Founded in 2007, GoodData works with 70,000 companies across the globe, including eight of the ten largest brands. The company’s business intelligence solutions reach more than one million end users.

Last month, the company made its first foray into insurtech with the launch of two new solutions, Underwriting Insights and Claims Insights.

<https://www.bankingtech.com/2018/05/gooddata-launches-spectrum-ui-tools/>

## Argus launches new industry-leading regulatory and compliance solution on cloud

Data & Analytics / IoT

5/21/18

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Argus Information & Advisory Services, a Verisk (Nasdaq:VRSK) business, has launched its state-of-the-art regulatory reporting solution in the Australian market. The cloud-based offering addresses the recent Economic and Financial Statistics (EFS) modernization and helps bring dramatic efficiency and effectiveness to the reporting processes. It also serves to meet a growing need for automation among local and foreign banks.

The Australian Prudential Regulation Authority (APRA) recently announced its first overhaul of reporting requirements since the early 2000s. Within the next two to three years, financial institutions will be expected to provide more high-quality, granular data, but by the end of 2019, institutions have to become EFS-compliant as part of a three-phase plan. Both authorised deposit-taking institutions (ADIs) and non-ADIs must follow the new reporting requirements.

The compliance process is anticipated to be daunting for banks, and they are likely to confront several new challenges. Generating new reports with detailed and granular data sets should require upgrades to both processes and technologies. Siloed data and reporting environments may be stressed and no longer able to support and future-proof against the new regulatory norms. Ensuring data quality and reconciliations will likely demand increased time and effort as regulators seek auditable contract- and transaction-level information.

Using its deep domain experience and global best practices, Argus is uniquely positioned to address these challenges with its APRA reporting solution. Argus's proprietary data management platform helps banks manage all business configurations and report validations in line with regulatory expectations. Additionally, the universal banking data model helps generate a varied set of analysis, regulatory reporting, and management information systems (MIS) across the banking business landscape.

"In this changing financial compliance landscape, Argus is offering Australian financial institutions a next-gen RegTech solution that has already proven effective in other jurisdictions," said Vivek Subramanyam, head of Data & Application Solutions at Argus. "Our solution is ideal to help prepare and sustain compliance for all regulatory reporting requirements."

<https://globenewswire.com/news-release/2018/05/22/1509655/0/en/Argus-Launches-New-Industry-Leading-Regulatory-and-Compliance-Solution-on-Cloud.html>