

# 10 Trends Driving Financial Technology (FinTech)



## AI AUTOMATION

From making trades to realigning portfolios, automation is a dominating force that removes human error and streamlines operations. It is currently present in 5-10% of all financial services operations. Its ability to conduct complicated transactions and compute complex algorithms is unquestionable in the face of human analysts and statisticians. Examples include chatbots that help answer customer concerns and provide feedback to agents and AI stress tests that remove bias in emotional investment decision-making.

## BLOCKCHAIN

Regarded as a pivotal influence on transactional infrastructure, blockchain is a digital ledger that holds real-time statistics with little to no lag on fund availability. The value is in the fact that the ledger cannot be manipulated or altered which lessens, if not completely removes, the activity and burden cost of financial crime and fraud. Blockchain is a revolutionary field that is present in cryptocurrency, smart contracts, and security.

## DIGITAL PAYMENT SYSTEMS

While you have Google Pay and Apple Pay to make customer transactions at select stores, you also have Square and Stripe payment systems to manage those transactions. New digital payment senders and receivers have upended antiquated cash registers and bookkeeping operations. The days of carrying physical currency and tangible credit cards is numbered. The power of digital payments can be seen in big data, customer feedback, user financial planning, and the minimization of overhead costs.

## BIG DATA

FinTechs are collecting a considerable amount of data when you agree to use their portfolio, checking account, credit card, or loan features. Some companies utilize this data better than others, especially from a competitive angle. The collection and storage of these data sets have provided immense value and insight towards financial technology initiatives and market research. Looking towards the future, banks would be able to curate data, replacing FICO scores, and instead, give consumers more financial options and granting FinTech operations a tailored customer background.

## FINANCIAL TECHNOLOGY REGULATIONS

Its presence is looming. With instantaneous trading apps on your phone and robo advisory money movers, the public sector is out in full force to rein in potential risk and abuse. The deciding factor will be whether FinTech embraces regulations to build consumer confidence in their products or dismisses it to pivot back to the risk-taking entrepreneurship fundamentals which so many of these institutions were founded upon. To learn more, click [HERE](#).

## ROBO ADVISORY

Based upon intensive algorithms and winded coding infrastructures, robo advisory applications readjust portfolios based upon mathematical calculations and forecasting. Though some consider these applications geopolitical news or behavioral finance psychology, most are built on target date platforms - adjusting risk and portfolio allocation based upon the customer's age and ability to handle market adjustments. A continuous and inevitable presence among wealth management, it is only a matter of time before we see it utilized in personal finance, transaction services, or applicable consumer advice.

## UX AND DESIGN INFLUENCE

Interface and design activities have become a large and influential presence among financial technology websites and applications. FinTech employs a considerable amount of UX specialists, graphic designers, and overlay specialists to make websites come to life or enhance the efficiency of a user portal. Without the aesthetics in UX and design, FinTech would have difficulty attracting new customer bases. We are moving closer and closer to virtual reality (gamification), voice recognition, and human integration with even the simplest of websites. This new interaction capability builds a stronger relationship between the customer and the institution and will, unless privacy concerns surmount, become an integrated part of everyday life.

## CLOUD STORAGE

With the advent of cloud file storage systems dominating most of corporate documentation and communications, it is only natural for FinTech to take advantage of this feature. Everything from compliance tax documents to personal information is now stored on a company's cloud. While there are often considerable security barriers in place to protect this information, some still scoff about privacy issues and carelessness.

## CUSTOMER EXCELLENCE

Since almost all FinTech companies have zero walk-in presence, they must deploy customer excellence models and analysts to determine their overall customer satisfaction. Without the archaic banker-customer relationship that has long dominated the industry, customers are often identified simply by a social security number or an email address. Although customer interaction through a phone call or website chat system exists, all the advantages of in-person feedback and loyalty building is gone. To remedy this, FinTech companies deploy customer excellence experts to analyze consumer data, market research, and initiate feedback surveys to assess the reputation of the company in the public eye.

## KNOW YOUR CUSTOMER (KYC)

To combat malicious new technology uses and state-owned predatory operations, many FinTech companies are engaging in the KYC model. This requires customers, clients, and vendors to provide an unordinary amount of personal information and due diligence research to comply with verification standards and benchmarks. The days of checking consent boxes are long-gone. Many institutions run your name and other information against a backdrop of lists, foreign state entities, criminal background checks, employment history, credit checks, beneficiary reports, identity theft, and risk management tools.