**The future of FinTech**

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FinTech – the buzzword for financial technology – has made transactions easier. It is blurring the lines between service providers, allowing bankers and tech providers to provide almost similar services. Some investors have put a large sum of money into FinTech. This is to help provide better services to Millennial customers.

Around the world, digitalisation is happening in the value chain, and automation is rapidly being used to serve customers. The use of chatbots, virtual assistants, and machine learning, instead of a live agent, is helping solve customer issues.

Some companies in the financial sector tend to rent out a chunk of their facilities to other tech companies. This enables a distribution experience that includes relevant financial functions. Some companies offer insurance for their products – for example, Tesla car insurance or financing for home improvements, etc. The beauty of FinTech is that users won’t have to go for it; instead, it will come to them. Financial infrastructure is growing at a rapid pace. However, we still need to research to ensure that there are no vulnerabilities that can affect the prosperity of businesses or the overall distribution of services and products.

There are certain drivers of innovation in the FinTech industry. Technological advancements have ideally changed the mode of doing various tasks. These technologies include the internet of things (IoT), artificial intelligence, blockchain, cloud computing, and much more.

Consumer behaviour on adapting the technologies is a major factor in its advancement. What is the societal attitude towards the newly introduced technologies? FinTech has also led to a visible change in the workings of financial institutions and the birth of new start-ups that are focused on providing services in a convenient manner.

It is also easier to access data through analytics, AI and cloud computing. The positive growth of FinTech is creating more investment opportunities. Digital work is transforming into a cashless environment. Hence, more consumers are adopting digital currencies and transactions. However, there are certain regulations and laws that people have to abide by in different countries or regions.

FinTech is a major enabler for financial services. This is because it helps change how consumers purchase products/services and manage their finances. FinTech is helping many companies and institutions to succeed in various ways where traditional methods had failed. To keep up with the pace, most FinTech companies are inventing products and services to enhance managing money.

Borrowing and lending money has now become more transparent. The traditional methods of borrowing bank loans are slowly being joined by crowdfunding and also peer-to-peer lending. New models are being used to make access to money easier.

Artificial intelligence and machine learning are being used in algorithmic and trading automatically in the stock market. This has opened doors for individuals to access facilities mostly available to corporate investors. FinTech has also enhanced asset management through processing data and analysing tools. This has led to increased automation and asset rebalancing.

Across the world, people are taking more courses to learn about artificial intelligence and machine learning models. Smart FinTech innovators in Pakistan should consider signing up for such courses. The world is becoming digital with each passing day, and people are becoming more knowledgeable.

Also, RegTech (regulatory technology) tools can be used to evaluate, monitor, and countercheck transactions and identify outliers to any fraudulent activity. This helps identify potential threats to reduce the risk of losses. Hence, it is important to have strong safety measures put in place. GrandTech is also being used to protect the financial vulnerability of grandparents who are more vulnerable to being duped. This process will help manage the online activities of senior citizens. Certain apps like EverSafe are being developed to link the elderly’s bank, or other financial, accounts. The app then learns the habits of registered users and sends alerts whenever there are unusual activities. This is mainly after the app has mastered the activities of a user.

The future of FinTech is contactless payment, embedded finance, financial inclusion, newer partnerships, cryptocurrency acceptance, and advancement in RegTech, GrandTech and WealthTech (wealth technology). FinTech will greatly increase customer-centricity in which most financial institutions will focus more on customers than on funds. FinTech will ideally need digital partnerships because of cost-effectiveness, flexibility and fast market delivery.

Just the way FinTech has grown globally, it has also been closely adopted in Pakistan. The banking sector has been the first adopter of FinTech and has increased its financial services rapidly. Its effective utilisation has helped the country save time and promote new products and services. Local banks have been able to provide financial aid to the underprivileged through the Ehsaas programme through digital platforms.

Almost 73 percent of Pakistan’s population has access to cellular usage, this makes the country a fertile ground for FinTech technology. Even with the massive opportunity for FinTech in Pakistan, the market is largely untapped. Hence, some reforms need to be made.

In the past, financial technology was mainly for those in the back office. However, as time has gone by, more investors have seen its viable potential. Over the decade, private venture capitals have started investing in FinTech. Various digital solutions, together with chatbots, blockchain and crypto assets, are being used widely to make work easier.

Most global banks and corporations are working towards investing in emerging companies. Hence, those businesses that are just starting should consider emulating the traditions, business culture, and mode of doing things of the existing companies. This is a sure way to be updated and be on the frontline when it comes to FinTech – and FinTech is the way to go.

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