



What's in store for the FinTech industry in 2020?





Introduction

The last decade alone has seen changes in the **banking and financial services sector** like never before, with the FinTech industry at the epicenter of this reinvention.

FinTech trends are all set to impact pretty much everything that involves money, from payment to banking to even buying new insurance.

In the last few years, a significant number of companies have allocated a **dedicated workforce and resources towards modifying fintech products and services** exclusively developed for specific functions within the financial ecosystem.

Given these advancements, it is no longer a question of “**Will Fintech change how the [financial industry](#) works?**” It’s more about how.

**What major changes
can you expect from
the Fintech industry?**





Will FinTech replace banks?

- Banks are looking to cut down on their costs, and one of their highest costs is technology. By using **FinTech and implementing digital-only banks, this cost is significantly lowered.**

- Customer experience — by using a digital-only bank, a customer doesn't have to visit the bank personally, stand in a long line that leaves them flustered and annoyed, and they don't have to deal with the agonizing mountain of paperwork.

So the big question here is – Will the Fintech industry revolutionise how banking is done? By the looks of it, that's quite the possibility.



FinTech and globalisation

- According to the Global Fintech Adoption Survey conducted in 2019, a whopping 96% of the respondents surveyed were aware of at least one fintech service.
- In 2019, the number of fintech deals in Asia spiked so high that it almost overtook the US according to the CB insights.
- Even countries like Africa and Brazil saw the number of fintech investments exponentially increase in the last couple of years.

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Artificial Intelligence in FinTech

- Almost every other application that uses AI on a consumer-level requires some level of payment, which is where Fintech will prove to be indispensable.
- Because AI has the potential to eliminate any form of human error in banking procedures and understand the average consumer's demand, **it can seamlessly be integrated into e-commerce applications that use fintech payments.**
- Further, Big Data and Predictive analysis are pushing the boundaries for more fintech companies to offer personalised products for B2B and B2C clients.



Cryptocurrency and blockchain

- Today, on average, the **financial services industry** spends **over \$1.7 billion every year on blockchain technology** – a trend that is only going uphill.
- Data aggregated from PwC's survey also shows that 77% of officials in top management positions expect to adopt blockchain as part of their production process by the end of 2020.
- **Financial institutions use blockchain to promote asset and money transfers, payments, and investments**, and consumers use the service because of the speed and security that it provides.



Decentralised financial systems

- A decentralised financial system is an emerging trend where companies apply **technologies such as distributed ledgers, online P2P platforms, IoT, or edge** computing to process monetary interactions.
- This is already changing how settlements and payments are being done on a day-to-day basis, as peer-to-peer foreign currency exchange platforms are now implementing similar processes as that of long-established interbank payment systems.
- **Decentralized financial technologies are likely to affect trade finance, capital markets, and lending**, because of the need to provide quick services at lower prices.

Thank you



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