

CONDENSED AGENDA: 1-DAY SEMINAR ON FINTECH – FINANCIAL TECHNOLOGY NEW ENTRANTS

Government and regulator agendas for Fintech

- Breaking down the power of the major banks
- New competition, particularly in Retail and SME banking
- Reduction in cost of financial services
- EU Basic Bank Account Directive and European Payments Regulatory Package (PSD2, Interchange Fee Regulation, 4th EU AML Directive, Funds Transfer Directive)

Types of challenger and new entrant

- Challenger Banks (Clearbank, Metro, Svenska Handelsbanken UK)
- Peer-to-Peer lending (Aldermore, Shawcross)
- Mobile-only banks (Atom, Starling)
- Third-party Providers under Payment Services Directive 2 and under the UK's Open Banking
- eMoney Institutions and Payment Institutions

Where Fintechs are trying to enter the value chain

- Alternative supplier to existing customer base
- Exploiting/encouraging a change in buyer behavior (e.g. to mobile)
- Supplying alternative product e.g. bitcoin
- Using alternative technology e.g. blockchain technology but without bitcoin

Why payments is a focus

- Perceived high cost/slow speed of payments and relationship to the reservation of the settlement space for large banks
- SEPA frustration and failures of the Payment Institution and eMoney sectors
- Failure of traditional banking services to enclose the unbanked and to offer good migrant remittances service
- Official interventions:
 - Increased speed of payments nationally and cross-border (PSR, PSD2)
 - New clearing system models (Faster Payments, EBA instant payments blueprint, Australia New Payments Platform)
- Alternative providers (ipagoo, Bitcoin)

Specific focus on UK's Open Banking

- What it is, its scope, who has instigated and who is running it
- IT components
- Who has to feed into it and what will be the service to the end-user

Specific focus on Third-party Providers under Payment Services Directive 2

- Types of TPP, registration/authorisation, and the service they will offer
- How they will interact with banks and what issues that throws up