

January 2019



# FinTrack

Tracking innovation in financial services

# Introducing FinTrack, GlobalData's financial innovations tracker.

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Every month, FinTrack will showcase the latest innovations from financial providers around the world.

Each innovation is assessed and rated on key criteria, providing you with valuable insight.

FinTrack will help you to:

- Keep up-to-date with the latest innovations from your competitors.
- Develop cutting-edge product and channel strategies.
- Identify the latest trends in the delivery of financial services.

## FinTrack: the inside track on the latest financial innovations.

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# Consumer Payments



Swatch has launched contactless watches in Switzerland. The watches use NFC technology to make payments at the point of sale. Users of the watches are instantly able to link their bank card to their contactless watch by uploading a picture of their bank card to the SwatchPAY! app via iOS or Android. The wearable payment accessory is available in four different Swatch models, which are priced at CHF85.21 (\$85.47). SwatchPAY!'s partner banks include Cembra Money Bank, Cornercard, Credit Suisse, Swiss Bankers, Swisscard, UBS, and Viseca. The contactless watches can be used at more than 75% of all electronic point of sale systems in Switzerland.



## Is it original?

SwatchPAY! is simply one among many in Switzerland's wearable payment device market. It does not offer any unique payment functionality compared to other wearables such as Apple Watch and luxury smartwatch maker Mondaïne's Helvetica.



## Is it long-lasting?

However, at CHF85.21 (\$85.47) the Swatch watch costs less than other contactless wearable watches in the market. Apple's contactless watches start from CHF520 (\$523), while Mondaïne's contactless Helvetica smartwatch costs CHF944 (\$950). Swatch will likely be able to leverage its lower price point to appeal to a wider selection of consumers in the long term.



## Is it operationally game-changing for the provider?

Swatch continues to provide contactless wearables in other countries; for example, in 2017 it launched contactless payments-enabled watches in China. But this is the first time Swatch has provided contactless watches in Switzerland, opening up a new geographic market for its wearable payments line.



## Will it significantly improve the user experience?

Swatch's wearable payment watches offer a better user experience compared to cash and card payments. Users will not have to carry cash in their wallet, nor will they have to enter their PIN when making payments.



## Is it market-changing?

2018 research by Swiss National Bank found that 70% of consumers in Switzerland pay for their shopping in cash. This represents a significant opportunity for growth in electronic payments, but the Swatch smartwatch is unlikely to be the product that changes these behaviors. Consumers are unlikely to adopt the product just to make payments, as it is much more expensive than a card, which are readily available in Switzerland.



**TOTAL SCORE**

**3/5**



# Dolphin will be Thailand's first open-loop e-wallet



ธนาคารกรุงเทพ

**Bangkok Bank**

ธนาคารกสิกรไทย  
KASIKORNBANK 泰华农民银行



Central JD Money, a venture between Thailand's largest retail group and China's second-largest e-commerce retailer, has applied for a license to provide a QR code-based e-wallet service called Dolphin. If approved by Bank of Thailand, this will be the first open-loop payment e-wallet in the country. In collaboration with Bangkok Bank and Kasikornbank, Dolphin will support payments as well as money transfers via various channels including bank accounts, debit and credit cards, and PromptPay – Mastercard's P2P service in Thailand. Additionally, Dolphin will feature facial and optical biometric recognition so users can sign up by taking a selfie and a photo of their ID card during the application process, without needing any documents.



## Is it original?

Dolphin will be the first of its kind in the Thai market, although it is not especially unique as a mobile wallet within the wider region.



## Is it long-lasting?

With several closed-loop mobile wallets already available in the market, Thailand has high potential for mobile wallet adoption. Dolphin will be introduced at a time when consumers are familiar with mobile wallets but lack the convenience of an open-loop platform, giving Dolphin an edge over its competitors. And Dolphin has heavyweight backers, giving it a strong foundation for long-term success.



## Is it operationally game-changing for the provider?

Dolphin will be the first payment service for the venture between Central Group and JD.com. The Dolphin platform will provide a new revenue stream for the two companies while complementing their existing e-commerce business and Central Group's 6,000+ retail outlets.



## Will it significantly improve the user experience?

By combining P2P, e-commerce, and proximity payments, Dolphin will greatly improve the user experience – especially compared to the platforms already available. The Dolphin e-wallet offers the convenience of allowing users to pay with any type of card, bank account, or even top-up credits via a single platform.



## Is it market-changing?

The mobile payment environment in Thailand is still evolving, and no platform has emerged to define mobile payments in the market. By being the country's first open-loop e-wallet, Dolphin will likely lure users away from competitors such as LINE Pay and TrueMoney and set the standard for Thai mobile payments going forward.



**TOTAL SCORE**

**5/5**



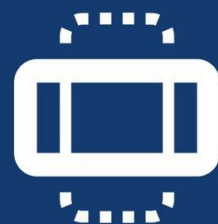
# General Insurance

# Bdeo aims to streamline the claims process



## Bdeo

Visual Intelligence



Bdeo provides an all-in-one solution that streamlines the motor claims process. It does this by utilizing artificial intelligence (AI) to automate the assessment of claims costs through video calling on the policyholder's smartphone. Loss adjusters are also able to utilize the video calling feature, allowing them to work remotely and thus increase their efficiency.

### Is it original?

The use of technology is becoming increasingly prevalent in the claims process, and allowing loss adjusters to utilize video calling is not a new concept. However, the use of AI to automate small claims is a new feature.



### Is it long-lasting?

Insurers that provide policyholders with the shortest timeframe from first notification of loss to settlement will undoubtedly prove popular. Given the highly competitive nature of the motor insurance market, Bdeo's proposition allows insurers to differentiate themselves.



### Is it operationally game-changing for the provider?

Allowing small incidents to be assessed automatically has the potential to greatly improve an insurer's efficiency in the claims division. Enabling loss adjusters to assess claims remotely will also be operationally game-changing.



### Will it significantly improve the user experience?

Enabling policyholders to have minor claims assessed automatically will greatly benefit users, as the claim lifecycle will be cut considerably. Allowing for loss adjusters to remotely assess claims will also benefit users considerably, as the need for appointments to be booked is removed.



### Is it market-changing?

The insurance industry is increasingly adopting technology that helps streamline a number of customer-facing processes. Bdeo's product allows insurers to provide a quicker claims process, which will undoubtedly be a success with consumers while potentially cutting costs for providers.



## TOTAL SCORE

## 5/5





ViewSpection is an app that guides property owners through the process of gathering property information via photo evidence, and automatically creates a pro-grade report that is ready for an underwriter. The app is available for farms as well as residential and commercial properties.

## Is it original?

Yes. Although property inspection apps exist, the scope of these are limited to inspections by property owners for rented homes. ViewSpection is the first app to allow users to generate a pro-grade inspection report for an underwriter for both home and commercial properties.

## Is it long-lasting?

Yes. Inspections will always be needed to correctly value a property and identify any associated risks.

## Is it operationally game-changing for the provider?

Yes. Underwriters will still have to conduct a property inspection, but being able to do so virtually will save time and money. Providers also have access to more touchpoints with their customers, as well as the opportunity to upsell products. For example, by noticing collections of art in the pictures providers can offer ViewSpection users tailored contents insurance to ensure they are fully covered.

## Will it significantly improve the user experience?

Yes. Scheduling an inspection can be a hassle for people. Having the ability to conduct an inspection remotely through an app will be welcomed by many individuals. It also eliminates the need for a stranger to be physically present in the home.

## Is it market-changing?

No. ViewSpection does have the potential to be market-changing, but there are some security issues that may limit uptake. In order for the app to function at its maximum capability, underwriters must be confident that the reports submitted by users contain all the necessary information required to correctly calculate the underlying risk. Fraudulent use of the app by policyholders may also be concerning to underwriters, as there are no checks against information submitted by users.



## TOTAL SCORE

## 4/5



# Retail Banking



Proportunity is a shared equity loan provider that specializes in identifying future property hotspots, typically targeting first-time buyers. Proportunity's AI-driven smart platform provides customers with insights into undervalued locations and properties, as well as providing buying and negotiation tips. Proportunity also offer customers a shared equity loan of up to 15%, enabling individuals with only a 5% deposit to apply. Shared equity loans are only offered on properties Proportunity deems investable.

## YOU WIN

You could afford a better home today and only pay the loan back at the end.

## WE WIN

If your home's value increases – we both win. If not, we both take the hit.

### Is it original?

Proportunity uses AI to identify future property hotspots. Its algorithm is able to identify areas and individual properties that are likely to regenerate, gentrify, and ultimately appreciate in value by analyzing historical price movements as well as macro and micro data sets about the location. There are no players currently in the market that offer property value forecasts as well as shared equity loans.



### Is it long-lasting?

Yes. With property prices six to seven times above average incomes, saving enough money for a 10%, 15%, or 20% deposit is either hard or impossible for many consumers. Moreover, capital appreciation within large cities and conurbations can be significant, making analysis prior to a decision even more important.



### Is it operationally game-changing for the provider?

Proportunity could help banks understand how their mortgage portfolios will move over time, as well as feed into lending decisions. It could help banks find affordable areas for first-time buyers that are forecast to have strong growth potential.



### Will it significantly improve the user experience?

Yes. Customers using Proportunity's platform will be making decisions on properties that have had extensive analysis, not only in terms of historical price trends but on crime, schools, transport, and businesses that enter or leave an area. It will offer customers an unrivalled level of reassurance.



### Is it market-changing?

No. Proportunity will increase the number of first-time buyers able to purchase a property. However, since the approval of a shared equity loan is based on future capital growth, the additional number of first-time buyers entering the market is unlikely to be market-changing.



## TOTAL SCORE

4/5

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# Wealth Management



In December 2018, UK-based digital investment app Invstr introduced a fantasy finance game to its proposition. This game is available to all Invstr app users, and comes at no extra cost for clients. Those that opt in for the fantasy game will be given \$1m of pretend capital to invest with. Individuals then use the \$1m to begin trading, with points awarded to those who know when to buy and sell at the best time. The game allows players to create their own leagues and cash prizes can be won, which the best performers can invest in real stock markets.

## Is it original?

Incorporating social elements and gamification into investing is not a new concept. Swiss digital investment platform clevercircles allows investors to compete among one another, while European social trading platform eToro allows leading traders to earn money as they grow their following. However, Invstr is unique in its creation of a fantasy finance league table.

## Is it long-lasting?

Invstr has aimed to be forward-thinking by targeting the next generation of investors who are fans of the fantasy league concept in other parts of their life, such as sports. In addition, the social element is a way of increasing engagement with the investment platform and maintaining longevity.

## Is it operationally game-changing for the provider?

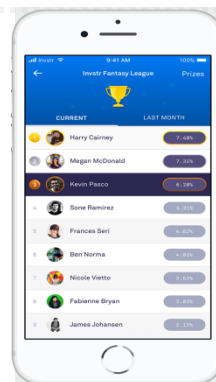
The fantasy finance game does not change Invstr's core proposition, which is its digital investment platform. This new offering is essentially a pretend investment platform that does not allow users to invest using real cash but rather tests their investment skills. However, the game could prove to be a good gateway to the investment platform.

## Will it significantly improve the user experience?

Investors who are interested in social interaction and competition will welcome this innovation, especially as real cash prizes can be won. But while it is a way to experiment investing in a risk-free environment, the game does not change the way individuals will manage their actual portfolios.

## Is it market-changing?

Invstr's fantasy finance game can help users better understand financial markets. However, established investors are unlikely to leave their current provider for Invstr because of this new feature.



**TOTAL SCORE**

**2/5**



In December 2018, HSBC launched the My Investment robo-advisor in the UK. To be eligible for the service, customers must have a HSBC current account and be registered for online banking. As part of the registration process, customers will be asked about their risk appetite, investment experience, and finances. My Investment then recommends one of five HSBC Global Strategy Funds ranging from cautious to adventurous, which invest in different asset types globally. The minimum investment is £1,000, with an initial charge of 0.5% followed by annual fees of up to 0.49%.



## Is it original?

Robo-advisors are not a new concept in the market. In the UK, HSBC's high-street competitors – including NatWest and Santander – have already launched their own. And HSBC launched a robo-advisor pilot in the US (HSBC Wealth Track) in October 2018.



## Is it long-lasting?

Our *HNW Product and Service Demand Analytics* shows that the majority of UK wealth managers believe demand for automated investment services is going to increase in the future. HSBC acknowledges that the majority of its interactions with customers are carried out via digital channels, and so wants to utilize new technology to give customers investment advice digitally. My Investment aims to provide a service that will be embraced by existing and future retail investors.



## Is it operationally game-changing for the provider?

Historically, HSBC's UK wealth management division provided advice through telephone or face-to-face communication. Although it does have an online platform and mobile banking app, introducing a purely digital investment platform is new for the UK bank.



## Will it significantly improve the user experience?

HSBC customers who want a digital investment platform will welcome this new service. But the minimum investment of £1,000 – compared to NatWest's and Santander's minimum thresholds of £10 and £20 respectively – will not prompt investor to switch, especially with total fees of up to 0.99% in the first year. This is an expensive robo-advisor, and HSBC is aiming to attract the mass affluent market.



## Is it market-changing?

My Investment will be attractive to tech-savvy current and future HSBC account holders. However, as of 2018 only 1.5% of UK investors had used a robo-advisor, and My Investment will not dramatically boost this figure.



## TOTAL SCORE

2/5

CEZEX  
CEZA DIGITAL ASSET EXCHANGE

CEZEX is a Philippines-based security token exchange that is licensed by government agency Cagayan Economic Zone Authority. CEZEX will fall under the umbrella of Inbase Partners, a Taiwan-based advisor for companies that issue digital tokens, and this will be its first exchange launch. The regulated platform will allow users to trade fiat currencies and cryptocurrencies through security tokens that are backed by assets such as stocks, bonds, and real estate.



## Is it original?

CEZEX will be the first regulated security token exchange in Asia. However, other security token exchanges have been launched elsewhere in the world, including the Gibraltar Blockchain Exchange and the US's Open Finance Network.



## Is it long-lasting?

Security token exchanges grew in popularity in 2018 and have the potential to be cemented in the developing Asian market, which is relatively fragmented and lacking in liquidity. As blockchain can fulfil many of the functions of a central securities depository and shareholder registry – as well as facilitating trading among securities at a lower cost – it will prove attractive as a technology, lowering barriers to listing and investing.



## Is it operationally game-changing for the provider?

CEZEX will be one of the first members of the Asian Blockchain and Crypto Association, which is designed to promote the development of emerging technology. CEZEX will newly be entering the security token exchange space and is the company's only offering.



## Will it significantly improve the user experience?

CEZEX will be available to customers across the world, and those who want to trade using security tokens will welcome this exchange. There is a lack of liquidity, particularly in the smaller developing financial markets of the ASEAN region. CEZEX looks to address this by allowing token holders to trade on its platform.



## Is it market-changing?

Because CEZEX is following in the footsteps of other security token exchanges it cannot be viewed as a market changer.



**TOTAL SCORE**

**3/5**

## Definition of parameters

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### **Is it original?**

Is the innovation significantly different to other products or services already on the market?

### **Is it long-lasting?**

How much longevity will the innovation have? Is the innovation more than a novelty that will only be of transient appeal to consumers? Is it sustainable for providers in the long run, with respect to the cost and complexity of provision?

### **Is it operationally game-changing for the provider?**

How much impact will the innovation have on providers with respect to cost, speed, and efficiency of provision? Will it reduce barriers to entry or open up new revenue streams?

### **Will it significantly improve the user experience?**

How much impact will the innovation have on consumers with respect to speed, ease of use, and cost or price? Will it enhance or add value to their experience, or will it lead to improved outcomes for consumers?

### **Is it market-changing?**

How much overall impact will this innovation have across all market participants, both providers and end users?



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### Ask the analyst

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