

Why can't we be friends? How fintechs, established banks and solution providers can unite

By Jorge Andres Gomez



The rate at which the banking industry is changing is unprecedented as customers call for more product features and capabilities.

Not long ago, banking looked very different. People could walk into a bank, line up and speak to a teller. Then almost overnight, everything changed.

Physical banking locations were locked, and customers had to find other ways to manage their finances. This sudden shift to digital exposed the limitations of traditional banking channels. Banks that weren't prepared to be 100% digital faced significant challenges, with clients exploring digital-first options and looking for more agile and adaptable banks.

While COVID-19 accelerated digital banking, the trend had started long before. The shift in customer expectations for banks to operate in more modern ways has given rise to a new wave of financial institutions. Fintechs and online banking options have flooded the market, but more established financial institutions still have more to give.

Digital transformation is top of mind for many banking providers. When asked about their strategic priorities for 2023, 77% of banks worldwide prioritized "improve the digital experience for consumers" — 32 percentage points higher than the next highest ranked priority (enhance data and analytics capabilities).

The rate at which the banking industry is changing is unprecedented, as customers are calling for more product features and capabilities. Banks and financial institutions are working to keep up with the demands, but not every new product feature needs to be reinvented every time.

To meet these demands, traditional banks have options: partner with fintechs and neobanks to offer the innovative technology to customers; take the time and spend the money building this functionality in-house; or partner with a solution provider that specializes in creating and supporting the needed capabilities.

These partnerships are helping the entire banking industry keep pace with this accelerated rate of innovation. Traditional banks are now leveraging the expertise and resources of other companies to offer cutting-edge solutions in areas, such as cybersecurity, analytics, fraud protection and biometrics. Here are some examples of how these partners can give their customers the best experience possible.

Cybersecurity

Partnerships between traditional banks, fintechs and neobanks can address data security and customer trust challenges. These newer partners are often perceived as less secure than conventional banks, which can limit customer adoption of new financial services. By partnering with established banks, they can leverage their reputations for security and stability. In contrast, banks can access their digital-native partners' innovative technology platforms to enhance their offerings, improving customer trust and allowing banks to compete more effectively.

Also, cybersecurity companies and solution providers can offer advanced technologies, such as firewalls, intrusion detection systems and encryption software to safeguard against cyber attacks. These partnerships can help banks to stay ahead of emerging threats and protect their customers' data from unauthorized access or theft.

Analytics

Analytics is a critical area in the banking industry, and partnerships can play a significant role in helping banks leverage advanced analytics tools and techniques. From the collection and processing to the analysis of large amounts of data to gain insights and make informed decisions, financial organizations can leverage analytics to improve customer experience, enhance risk management and drive business growth.

By partnering with analytics companies and solution providers, banks can access advanced data analytics tools and expertise, which can help them to gain insights into customer behavior, preferences and needs. This can enable banks to personalize their products and services to better meet customers' needs and preferences, helping to improve customer satisfaction and increase customer retention.

With advanced analytics capabilities, banking institutions can more easily analyze large amounts of data to identify patterns and trends. This can help banks identify opportunities to offer customized products, such as personalized investment portfolios or tailored lending solutions.



Fraud protection

Fraudsters are becoming increasingly sophisticated, and banks need to be vigilant and proactive in protecting their customers' sensitive data and financial assets. By partnering with companies — fintechs or solution providers — that specialize in fraud prevention and detection, banks can leverage advanced technologies and expertise to stay ahead of emerging threats.

One example of a partnership that can enhance fraud protection is with companies that specialize in fraud detection and prevention. These companies use advanced algorithms and machine learning techniques to analyze large amounts of data and identify potential fraud patterns. By partnering with such companies, banks can enhance their fraud detection capabilities and prevent fraudulent transactions before they occur.

Biometrics

While partnerships between traditional banks and fintechs can help address data security and customer trust challenges, biometrics is a key technology that can take the virtual and in-person customer experience to the next level. Biometrics can simplify the process of authenticating a user's identity without friction. Digitally, users can log into their accounts using iris scans, while in-person use cases include authenticating a customer's identity when they walk into a branch via face recognition.

Some of these trends converge. For example, fraud protection and biometrics. Biometric authentication is a highly secure and convenient way for customers to access their accounts, and it can help to prevent fraudsters from gaining unauthorized access. By partnering with a biometric authentication company and provider, banks can offer their customers cutting-edge solutions, such as facial recognition, fingerprint scanning and voice recognition.

Partnering to create better customer experiences

As the banking industry continues to evolve, there's a lot of information in the market about trends, capabilities and how banks are transforming. And it's practically impossible for a single financial institution to handle these changes well without help.

This is where partnerships come in, offering a powerful solution for banks to complement their capabilities to stay competitive. By leveraging partnerships with industry leaders, banks can improve agility and adaptability, meet the increasing demand for open banking, and provide clients with a better digital experience.

Learn more about how you can partner with Unisys to improve customer experiences and increase competitiveness in the digital age by [contacting us today](#).



Jorge Andres Gomez

Senior Director of Banking and Financial Services Solutions, Unisys.



[unisys.com](https://www.unisys.com)

© 2023 Unisys Corporation. All rights reserved.

Unisys and other Unisys product and service names mentioned herein, as well as their respective logos, are trademarks or registered trademarks of Unisys Corporation. All other trademarks referenced herein are the property of their respective owners.