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THE BUSINESS TIMES

Reaching the unbanked, underbanked, and unhappily banked

THIS WEEK'S TOPIC: How might fintech exclude, just as it includes, if not done right? What other market segments need improved access to financial services?

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Philip Yuen
CEO
Deloitte Southeast Asia and Singapore

Financial inclusion is a very important agenda for many countries, and is driven by the collaboration between governments, financial institutions, fintech and financial regulators. There is no doubt that fintech has the potential to address the challenges faced by the financial services industry. However, if an appropriate supporting (legal and policy) infrastructure is not well developed, countries may fail to achieve some key objectives that include embedding digital in the societal fabric; addressing cyber security risks; ensuring data security; and using fintech to prevent financial crimes.

Apart from the unbanked population - which, by far, is the largest segment that needs improved access to financial services - governments should also consider improving access for women, the ageing population and foreign domestic workers, particularly in areas of personal and livelihood financing. This would help address challenges like micro financing, retirement planning and lack of financial literacy. In the business environment, more can be done to improve SMEs' access to financing, which can help them grow and contribute to an increasingly digital economy.

Sebastian Mueller
Chief Operating Officer
MING Labs

Full inclusion is not the mission for most fintechs today. Without deep understanding of the full spectrum of potential users and their context, simple and innocuous choices in the product building process can exclude whole demographics.

These include creating solutions incompatible with older technology platforms, requiring a certain sophistication to be able to interact with the solution, or just by the choice of market entry and communication not reaching most people.

A partly societal mission, dedication to broad user understanding and consequent design for accessibility are needed to have a chance at inclusion in the first place.

Geoff Prentice
Co-founder
Oriente

Fintech has the potential to be the silver bullet for financial inclusion, but it requires every stakeholder to take a collaborative and responsible approach. Some solutions presented by fintech are often unviable or short-sighted. When companies act in the name of profits, there is an erosion of customer confidence, which can serve as a blow to the socio-economic progress that financial inclusion should bring.

While technological innovation opens access, there is an equally important responsibility to educate millions across emerging Asia, or else there is a risk of even further exclusion. It is clear how unbanked individuals benefit from finclusion, but there is also a burgeoning MSME community that too will benefit from easier access to affordable and reliable financial services.

Senior VP & GM
Red Hat Asia Pacific

Fintech and open banking have great potential to speed up innovation in banks and financial services institutions (FSIs). However, developing technology in closed systems could hamper access. There are more than one billion people in Asia who do not have or use a bank, according to the World Bank.

To make growth more equitable and inclusive, we must make greater financial inclusion an essential agenda in Asia's economic development. In our view, fintech "done right" is one that embraces open sharing, collaboration, and innovation.

This involves developers, business leaders, operations and security teams working together to improve a company's offerings and develop new ones, and keeping hard-to-reach segments in mind.

From there, FSIs would need to react more quickly to competition and business requirements, and include smaller merchants - the likes of small shop owners, street food vendors, among others.

Divyesh Vithlani
MD, Financial Services
Accenture ASEAN

As fintechs and traditional financial firms rely more and more on artificial intelligence in their operations and customer centric services, the AI systems that are built using different samples, demographics and other data sources could pose the biggest risk for fintechs as they help segment and target the market.

If not done correctly, these AI engines could be built with bias and potentially exacerbate the marginalisation of some segments of society. Fintechs and traditional financial organisations need to make sure to consider the consequences on stakeholders alongside the potential business value as they increase their reliance on AI. Those considerations around ethical AI should be a critical part of their business.

Victor Mills
Chief Executive
Singapore International Chamber of Commerce

Any new tech tool has the potential to do good and ill. It all depends on the users - human and augmented intelligence users. If fintech tools are only available to city dwellers or elites, they will be exclusive.

The drive to focus on all customers by banks is inclusive. Fintech solutions allow banks to mitigate the dead weight of legacy systems that are expensive to replace, outdated processes and non-standard documentation. At its best, fintech can bring people together. A good example is NTP's collaborative approach among nine banks and a tech company working to provide customers with a trade finance solution and standard documentation.

Vipin Kalra
CEO
BankBazaar International

Any fintech solution needs to be simple and effectively address a need in the market, in order to gain mass adoption.

The way we see it, fintech is definitely needed to promote financial inclusion for the unbanked and underbanked. However, there is also a need to innovate and provide better solutions for those who may have access but are unhappily banked, particularly in more financially mature markets such as Singapore.

The job is never done. There is a huge opportunity for both financial institutions and fintechs to work together to provide better financial solutions.

Vikas Nahata
Co-Founder and Executive Chairman
Validus Capital

Technology innovation has brought speed and innovation into the financial sector, a sector which had seemed stagnant - at least outwardly - for many decades.

The winds of change have brought far more good than bad, but as is usually characteristic of change, it is hard to please all stakeholders. New opportunities can open up a new set of challenges. Someone's business will pivot or get upended -if not entirely disrupted.

Specific to Validus Capital, by being able to extend business financing to qualified SMEs which would otherwise not have access to growth capital, we are seeing the grey market and the black market for loans recede.

Yes, people are being excluded, but sometimes it's for the best!

Grahame Dixie
Executive Director
Grow Asia

75 per cent of the world's poverty is found in rural populations, and financial services need to reach these groups.

In agriculture, changing lives comes down to improving farm profitability.

Yet we often see smallholder farmers struggling to access the working capital which will allow them to invest in technologies which can improve yields and transform profits. Banks can be nervous about loaning to them as transaction costs are high and they fear non-repayment. Farmers also seldom have the collateral of a clear land title.

At Grow Asia, through our 40 value chain projects across the region, we will be field testing different financial solutions to help banks identify which farmers have the propensity to repay loans.

For example, through a combination of digital credit scoring, psychometric testing and monitoring mobile phone usage we can glean an accurate and fair picture.

If we can prove these approaches work, there is real potential to transform the rural economy.

Wilf Blackburn
CEO
Prudential Singapore

Core to Prudential's digital innovation is helping everyone - customers, employees, financial consultants, and the community - live well.

Specifically for our financial consultants, we are equipping them with the latest technology such as AI-powered chatbot and faster claims solution so they can work more efficiently and serve the needs of their customers better.

Technology is but an enabler in everything we do. It can help us work smarter but it cannot replace the role of our financial consultants whom our customers rely on to make some of their biggest financial decisions in life. If we depend solely on technology in our business, we will push people away rather than draw them closer. Even the smartest robot can never replace the human mind, heart and spirit.

Mathias Imbach
Founding Partner & CEO Singapore
Sygnum

Fintech should be leveraged to transform financial services for the greater good, for example by providing SMEs with a new way to obtain funding.

In Singapore, SMEs make up 99 per cent of companies and provide more than 70 per cent of employment for Singaporeans, but it is a market segment that needs improved access to financial services.

Access to capital is critical for SMEs to survive and thrive, yet only 30 per cent of SMEs can get bank loans and less than one per cent can issue stock on the public markets. The emergence of blockchain technology has enabled the creation of digital assets in the form of tokens, or "tokenisation", and this is opening up alternative avenues for SMEs to raise capital.

However, developments in the ICO space so far have been largely unregulated.

We believe that the benefits of tokenisation can be extended to a broader group of participants with vastly reduced risks by bringing digital assets into an environment that is compliant with legal and regulatory requirements. Over the long run, this will contribute to a thriving SME community, boost employment and encourage greater entrepreneurship in Singapore.

Mark Micallef
Regional Vice President, APAC
Cloudera

With financial inclusion playing a crucial role in enabling economic growth, most countries, including Asean nations, are looking to leverage fintech to enable more people to gain access to banking services.

However, in order for fintech to drive financial inclusivity more effectively, understanding the diverse needs of the unbanked population innately is pivotal.

Advanced analytics and machine learning tools can be deployed to help convert data into actionable insights, and in turn, create innovative products and services to reach market segments that were previously untapped, including low income households, small businesses and other vulnerable segments of the population.

Harnessing technology can help improve the social and financial well-being of the underprivileged, and pave the way to a more inclusive society with accessible and affordable financial services for everyone.

Yeoh Oon Jin
Executive Chairman
PwC Singapore

It is critical to focus on digital financial inclusion rather than just financial inclusion. Consumers who are consuming financial services in a traditional sense may increasingly find themselves excluded from digital financial services, which could be due to not being digitally savvy or could be confusion caused by the rapid adoption of new technology.

In Singapore, digital financial inclusion initiatives are being implemented, such as those that help promote familiarity and ease of usage of digital financial services, for example, by making digital payments more user-friendly and accessible. Raising digital awareness and owning personal digital smart devices are critical ingredients for digital financial inclusion. In time to come, more B2B fintech solutions would support SMEs to access alternative credit and equity financing options.

Chris Burton
Managing Director
Vistra Singapore and Malaysia

MAS managing director Ravi Menon's remarks about fintech were philosophical and macro-level, perhaps more like a vision statement for a corporation. The harsh reality is that fintech companies are players in the capitalist system like other enterprises. To be sustainable, they have to be profitable and gain a dominant market position. Inevitably, they will target higher customer concentrations and faster growing markets, so niche demands in less commercially-attractive areas may not be addressed. For delivering benefits to these niches, fintech companies will need backing from charitable organisations and governments. If the latter will indeed step in, then wider benefits and more altruistic objectives can be delivered.

Ben Elliott
Chief Executive Officer
Experian Asia Pacific

By some estimates, only one third of Asia's population have access to financial services, such as a bank account or line of credit. Many are small business owners in developing markets, making cash-only transactions for years. This type of financial exclusion also means economic exclusion. There is a tremendous opportunity for the industry to innovate responsibly, with technology, to help businesses of all sizes and people from all walks of life gain greater financial access. Financial institutions and fintech companies need to collaborate, better understand consumer needs and strengthen financial marketplaces across the region. This means tapping alternative information sources for credit scoring, especially in markets that lack traditional credit data, to develop financial solutions that reach more people.

Max Loh
EY Asean and Singapore Managing Partner
Ernst & Young LLP

Fintech has huge potential in delivering economic and societal benefits by lowering operation costs and barriers of entry, and boosting financial inclusion through better access to financial services by the underserved. Having said this, digital inclusion must go hand-in-hand for financial inclusion to happen. Enabling regulations are needed to create an environment that balances innovation and risk where service providers are encouraged to harness technologies without compromising the financial system or consumer protection ie, not capping the potential of fintech in delivering higher value-adding services while ensuring access by all segments of the market. For example, with artificial intelligence increasingly used for transaction monitoring with limited human oversight, and where transactions may be stopped because of perceived questionable attributes by the system, will we run the risk of inadvertently excluding people on the fringe of society?

Dileep Nair
Independent Director
Thakral Corporation Ltd

Fintech promises to democratise financial services by making them available to all. However, the danger of excluding some segments such as the poor, the aged and those without a business track record, is real. Many indigent and old people are intimidated by IT and technical jargon. Even a smartphone befuddles them. They require human interaction. Loan-processing apps may also disqualify those genuinely requiring credit because of the design of the algorithms. Artificial Intelligence cannot replace the need for human empathy and human judgement. What would be needed is an outreach by people manning virtual financial centres in the community to provide face-to-face engagement. Only then will we ensure no new financial divide opens between the digital "have" and the "have-not".

Mario Singh
CEO
Fullerton Markets

Digital transformation was a big theme at the recent Asean Summit in Singapore. Even at the recent Singapore Fintech Festival, International Monetary Fund chief Christine Lagarde said that governments should consider offering their own cryptocurrencies to prevent systems becoming havens for fraudsters and money launderers.

There is one area which could hamper the burgeoning growth of fintech: regulation. On one hand, regulation is necessary to ensure boundaries for compliance, privacy and cyber-security. On the other hand, too much regulation could stifle innovation and growth.

I feel the following market segments need improved access to financial services: the elderly, the unbanked and promising startups in Singapore.

Anthony Chiam
Regional Head of Financial Services
JD Power

Technology is not a one-size-fits-all solution and we need to ensure that late adopters are not neglected. Our latest Credit Card Satisfaction Study reflected a rise in the use of non-digital customer service channels following a migration to self-service online platforms. Amid a growing culture of digital evangelism, it is crucial for traditional banks and new fintech players to employ an omni-channel approach to ensure equal access for all to financial services. Ultimately, financial services providers need to place the customer at the centre of this evolution as opposed to their business model or risk becoming a utility and data provider.

Kelvin Lee
Co-founder and CEO
Fundnel

Fintech is a great equaliser; however, as the sector develops, solutions may increasingly support more established and higher paying clients. This scenario will mainly benefit wealthier institutions or individuals, potentially aggravating economic inequality.

In Southeast Asia, SMEs can definitely benefit from improved access to financial services, who often face difficulties accessing growth capital - complex processes that require significant time investment is a key challenge, and then there is a pool of businesses serving niche audiences that are overlooked entirely by traditional investors. With SMEs representing more than 90 per cent of businesses in this region, unfettered access to financial services remains a key driver of growth and is also anticipated to boost bank revenues, demonstrating how an inclusive approach to fintech can achieve a win-win situation for all.

Vivek Nath
Head of South & Southeast Asia, and Country Head, Singapore
Willis Towers Watson

Even though the startup ecosystem in the insurance sector has not moved as fast as in fintech, insurtech continues to shake up the insurance sector, bringing innovation to enable the growth and improved access to insurance in the Asean region.

So far, the Asian insurtech ecosystem remains relatively small. Activities are predominantly centered in Singapore, Hong Kong and China. Malaysia, Indonesia, Thailand and Vietnam have also recently made regulatory provisions to allow for the development and growth of local insurtechs.

Importantly, insurtech must bring value to the insurance value chain, especially in areas where there is limited penetration and a need for new ways of providing insurance. For instance, with the growing emergence of the gig economy, digital insurance startups might yield solutions to a growing area of concern for industry, regulators and consumers/gig workers. Solving this problem will further stimulate the growth of the gig economy and redefine traditional employment models.

Mark Billington
Regional Director, South-East Asia
ICAEW

Low-income individuals and consumers who are not tech-savvy can benefit from targeted efforts and support to ensure they gain equal access to financial services. This is an area where fintech has been proven to help, as reported in our latest joint fintech research report with ISCA. When done right, fintech has the potential to allow many more people across the world to access financial services, thereby supporting economic growth and enabling greater financial inclusion.

However, as fintech deals with data to improve the efficiency of traditional financial services, there is a parallel risk that the technology will enable the use of segmentation and risk-based pricing, which could contribute to greater exclusion. Fintech and big data might also give rise to greater use of exploitative practices such as confusion marketing, cross-selling and value-extraction in the form of higher fees. At ICAEW, we hold our members to the highest ethical standards - as yet such oversight does not exist in the fintech world but would surely be welcomed.

Svend Janssen
Head of Asia
Western Union Business Solutions

The new developments around facilitating SMEs' credit assessment using government data and connecting SMEs to a global services marketplace could inject a much-needed boost of confidence for the sector. All the developments are about efficiency, ease of use and, in general, greater business enablement. For fintechs to succeed in the long term - and really bring value to their users - access to resources, in particular to compliant payment infrastructures, is crucial. Empowering this sector with ready-to-go solutions that seamlessly connect suppliers and customers internationally, reduce currency risks and improve cash management creates a more level playing field for SMEs which are the lifeblood of today's digital economy.

Lionel Lim
VP and MD, APAC and Japan
Pivotal

The primary benefits of fintech for organisations is the reduction of operational cost and increased convenience for customers. As fintech evolves, it is crucial that no organisation gets left behind lest they do not survive our digital economy. Even the smallest SMEs must recognise the importance of embracing the cloud and be given the support to do so. A cloud platform will enable them to implement fintech solutions while remaining secure in today's cloud-native environment. It is only by progressing as a whole that we will not only be able to maintain our financial hub reputation but also ascend to greater heights.

Sidney Lim
Managing Director
Protiviti, South-East Asia

The message from the 2018 Singapore Fintech Festival is clear: harness fintech to promote financial inclusion for individuals and SMEs. However, technological innovations, whilst providing improved convenience for most, can create biases that exclude based on race or age.

The huge amounts of data on personal information, habits and preferences now more widely accessible, raise issues of privacy, identity theft and misuse. Fintech allows new market entrants to disrupt traditional business models, but imposing protectionist interventions creates barriers and dilutes benefits reaching end-users. Also, employees made redundant as a result of automation may not achieve financial security. Emerging risks therefore need to be managed properly.

Kroll.

Ng Fook Sun
Executive VP, Financial Services
Wirecard

While technology has provided improved access to financial services, not every country has reached the same level of progress in terms of infrastructure and mindsets. Even with the rising middle class in the region, there needs to be a cultural shift in terms of getting people comfortable with new technology and familiarity with new systems.

In the region, we often speak about the unbanked as a major group who can benefit from better access to financial services often through mobile technology. But groups such as those who are recently banked (eg those who have only started putting their money in bank accounts) to those who are underbanked may be overlooked. These groups of individuals are not yet fully utilising the various financial services available.

They could range from the elderly who are trying to make sense of new technology and focused on wealth preservation for their retirement to those who have newly gotten bank accounts whose needs may range from financial growth to just basic financial management. Established institutions and fintech companies could do well to sharpen their proposition, crafting services and experiences that lead these users on a journey, and address their specific needs at different milestones.

Omer Ali Khan
General Manager, ASEAN
Avanade

The breadth of platforms in today's shared economy and the innovation we see in the likes of blockchain-as-a-service will dramatically enable fintech to be more inclusive.

The recent partnerships between ride-hailing services providers such as Grab and Go-Jek with United Overseas Bank and DBS Bank exemplify how platforms and cross-industry collaboration are revolutionising our access to financial services and purchasing power like never before. Just as how we have seen some developing countries leapfrog into a mobile-first society, businesses which may have had limited access to financial services and technology in the past will benefit significantly from the inclusivity fintech can bring to industries and economies. We will see more financial services built for the cloud from ground up, payments and transactions possible even for the previously unbanked, and more businesses have the accessibility to participate in the digital economy.

Cedric Choy
CEO, Luminore 8 and
Co-Founder, **AORA**

New fintech solutions and digital currencies present outsized opportunities for the 438 million unbanked people in South-east Asia. With the burgeoning of e-commerce, the unbanked now have other ways of accessing goods and services and making cross-border payments. Consumers benefit from having more options as well as a fast and secure way of transacting online while businesses benefit from increased efficiency, sales and revenue streams. On a broader level, the network effect of inclusion on such a scale could also spur economic and social progress in the region. However, it is necessary to first drive adoption and fintech providers need to ensure their solution is simple to understand and easy to use.

Nick Jonsson
Managing Director
EGN Singapore

Fintech is a unique platform that encourages collaborations from different segments of the market as well as a vast array of talents. From engineers, designers, financial institutions to marketeers and entrepreneurs, the possibilities are truly limitless. In addition, as a result of fintech's wide reach impact, financial service providers will transform to be a part of these multiple ecosystems and eventually evolve to become ecosystem integrators.

Another notable impact would be on the job market, as the rise in multiple ecosystems will result in an increase in the demand for niche talent across industries. If implemented with the right intention and backed by government policies, fintech will be our biggest leap towards complete digitisation.

Helen Ng
CEO
General Storage Company Pte Ltd

The convergence of multiple advances in fintech has led to radical changes in how the creditworthiness of small businesses are assessed. SMEs now have access to flexible loan solutions and a streamlined loan process. The changes ushered in by fintech have been phenomenal, but one sector remains underserved - micro businesses in the developing world. If fintech can support these businesses, which often employ the most vulnerable demographic groups in their communities, and bring them into the global financial ecosystem, it would truly be fulfilling its potential beyond the razzmatazz.

Kroll

Hope Liu
CEO and Co-founder
Eximchain

E-commerce is seeing phenomenal growth in Asia, with Singles' Day logging S$33 billion in sales. With such huge numbers, it is easy to forget the many small enterprises that are involved in the e-commerce supply chain. Without access to financing and technology, these enterprises, many of whom are impacted by global trade tensions, may be left behind. Fintech and new technologies can help. Data being available on a public blockchain, for instance, can help them enhance their credibility quickly in order to secure financing, levelling the playing field and providing access to the same opportunities as bigger players.

[redacted]
MD and Head of Southeast Asia, Business Intelligence and Investigations
Kroll

Fintech is typically associated with first generation companies that innovate across the most crucial parts of the financing supply chain rapidly bridging the gap between the unbanked on one hand and credit providers on the other. Breakneck innovation in technology, AI, and thinking of entrepreneurs and investors has created a fertile ground for the first generation of fintech companies.

The greatest threat of exclusion from this trend lies in traditional global banks being typically built on top of a web of legacy IT systems that were accumulated on an ad-hoc basis, often through acquisitions, and at varying paces across the globe. Global banks have the pressure of regulators, shareholders and new age fintech companies nipping at their feet. They will need to work extra hard to capitalise on the potential of technology for the finance industry.

Yann Hamon
Managing Director
Why Innovation!

Fintech brings great support to innovations in banking, insurance and a variety of industries, but also challenges those who cannot cope with the increasing speed of transformation. Organisations have to be change-adaptable in order to make right use of fintech and other digital services. The key is to leverage the right technology to deliver the right offer and better user experience. Here's why we say "Be agile or die". Fintech adoption is still at nascent stage among big organisations. One thing for sure - innovation is no longer an option but a need for survival.

Amit Gupta
CEO & Founder
Ecosystm

Using financial technologies for functions such as digital payments and money transfers has almost become mainstream. The pervasive use of technology in coping with the financial industry's challenges has even prompted UK's Financial Conduct Authority (FCA) to acknowledge the role of technology in streamlining AML checks, and the use of social media insights and biometrics to transform customer due diligence exercises.

It is estimated that 1.7 billion adults globally remain unbanked, yet two-thirds of them own a mobile phone - markets and infrastructure are bound to change as governments and financial institutions reach out to this segment. However, there is a valid concern around fraud in developing countries, where basic education and literacy may be lacking. The regulatory landscape will need to evolve rapidly to enable this transformation.

Michael Correa
General Manager, Asia Pacific
Westpac Banking Corporation

As we look at fintech excellence, it's important the fintech community does not overlook its wider purpose to serve the needs of society as a whole, including many who have yet to benefit from the region's rapid economic growth. This doesn't just mean offering bank accounts - it means partnering with local communities to provide creative financial solutions to social issues.

In Papua New Guinea for example, a 20-year-old budding female tech entrepreneur Crystal Kewe who won a Westpac Outstanding Women award this year, has recently created an online platform named "Biluminous", connecting local artisanal weavers of bags (bilums) directly with buyers and enabling weavers to be paid directly, displacing the middle man and bringing greater financial outcomes to the local community. We're seeing a major opportunity for fintechs to step in to facilitate more and more of these solutions across the region, with many Asean markets such as Indonesia, the Philippines, Vietnam and Burma having over 50 per cent of the population aged 15 and above unbanked.

Karl Hamann
CEO
QBE Insurance (Singapore) Pte Ltd

Any new innovation should aim to solve problems and improve outcomes for businesses. Rather than pursuing technology for technology's sake, we must ensure we are adding clear value through digital solutions in the form of revenue generation, cost savings, productivity gains or improved customer experience. Fintech has the same responsibility, but also has the potential to solve larger, more persistent economic problems. While payment solutions have been the overwhelming focus of VC firms funding new ideas, we cannot lose sight of how fintech solutions in financing, credit and insurance can help budding businesses develop and empower people outside urban centres to enter the mainstream economy.

Maren Schweizer
Director
Schweizer World Pte Ltd

Financial inclusion is a worthy policy objective, alongside the promotion of stability and efficiency in shaping the development of the financial system. It directly contributes to social cohesion and shared economic development with a wide range of products that must be appropriately designed.

AI will have the deepest impact, permeating all industries and playing an increasingly important role in daily life. By combining with other new technologies, AI is becoming the "electricity" for embedding intelligence into more devices, applications and interconnected systems.

In order to harness these opportunities and proactively manage the risks, we require a transformation of the "enabling environment", namely the governance frameworks and policy protocols as well as investment and financing models. This transformation will not happen automatically. It will require proactive collaboration between policymakers, scientists, civil society, technology champions and investors.

Dan Marjanovic
Singapore Office Country Head
Simmons & Simmons

Open APIs and open banking generally are often seen as the golden bullet for improving competition and customer outcomes. However, Angus McLean, the head of our global fintech practice, is of the view that the truth is that it is hard to design and maintain the infrastructure required to really open up banking services and even harder to force incumbent institutions to do it and that it remains to be seen whether the open banking movement will have the desired outcome or whether it will just be used as an opportunity for the existing players to compete for their competitors' businesses while making it difficult for smaller challengers to access their data.

It is encouraging to see the Monetary Authority of Singapore's support for the SME sector. SMEs are currently woefully underserved, which can explain why many fintechs are focusing on that space and why other jurisdictions are also keen to do so. The problem is that a vast majority of businesses tend to default to their existing banks. Educating the SME community that there are alternatives and getting small business owners to investigate those alternatives when time and resource are at a premium is one of the hardest nuts to crack in fintech.

Reuter Chua
Head
ACCA Singapore

Accountants are not standing still amidst this revolution and are already adapting and reviewing opportunities for expansion in fintech. For example, it is already common to see bookkeeping being fully automated using cloud accounting platforms. Xero provides a cloud-accounting and reporting platform, while Receipt Bank, from the UK, enables invoices and receipts to be processed through smartphone photos and email. ACCA (the Association of Chartered Certified Accountants) and Xero signed a global Memorandum of Understating (MoU) this month at the World Congress of Accountants in Sydney, to empower businesses of all sizes to access affordable, world-class, cloud-based technology and tap into and benefit from the fintech revolution. Accounting entities, who often act as advisors to SMEs to access finance, can highlight fintech funding options to clients. These initiatives and practices will collectively play an important role in enhancing financial inclusion and reducing social inequality in Singapore and beyond.

Deborah Heng
Country Manager
Mastercard Singapore

In recent years, we have seen how fintech solutions such as digital wallets and contactless payments have enhanced convenience and enabled seamless transactions for many Singaporeans. As a business segment driving over 90 per cent of the local economy, SMEs too can benefit hugely from these digital solutions and improved access to financial services. Collaborations between the government and companies such as the recently announced Networked Trade Platform (NTP) and Business sans Borders initiative are key in helping SMEs integrate technology to grow and scale. In addition, Mastercard Track, a global trade platform integrated within the NTP, has helped simplify processes, streamline payment services and provide businesses access to the wider trading community. Initiatives such as these give SMEs a digital advantage to stay competitive as they expand their footprint in the global marketplace.

Lee Fook Chiew
CEO
Institute of Singapore Chartered Accountants

Fintech has become increasingly prevalent in today's society, making many essential financial services go digital. Yet while fintech seeks to ultimately deliver financial services in a cheaper, more efficient, targeted and convenient manner that better serves the needs of customers, this can be daunting for those who do not possess the means to access fintech or those who are less digitally inclined to embrace technology. Examples of these groups include the elderly and those from financially disadvantaged families. If we do not address the issues they face, they are at risk of being left further behind socially and economically. More support and digital literacy education may be needed to enable everyone in society to enjoy the benefits brought about by fintech.

On the business front, while we encourage adoption of fintech among businesses such as SMEs, efforts must be made to address or regulate data and systems integrity, as well as the ethical aspects of accountability and transparency. Technology if not properly secured, regulated and monitored, can lead to potential issues like cyber attacks and money laundering activities.

Jayajyoti Sengupta
Head, Asia Pacific
Cognizant

The number of mobile or desktop fintech applications has been growing steadily, offering solutions such as smarter, automated investing, peer-to-peer payments and more.

However, many of these applications are targeted at a younger user base who is already familiar with technology. With Singapore - just as the world economy - increasingly facing the challenge to serve the needs of an ageing population, it seems the current offering might be out of reach for many seniors. There is a tremendous opportunity for fintech companies to build tailored solutions that will better suit older customers and help them to manage their finances, insurance or minimise their healthcare cost exposure. Fintech solutions targeted at senior citizens is definitely an area that is still waiting for disruption

Sandeep Bagaria
Chief Executive Officer
Tagit Pte Ltd

There is a risk that fintech could exclude the silver generation in their 50s and 60s as fintech initiatives are focussed on millenniums and technology savvy consumers. While social media has significantly helped this generation get connected with their friends and family, fintech has not had the same impact on their lives and their financial well being.

Another segment at risk are those without connectivity or smart devices or those who are maybe illiterate. As more services go mobile, data connectivity should not be a barrier to benefit from fintech services. For those with devices and connectivity, language or illiteracy can be overcome with redesign of interfaces, multi-lingual options and voice as a channel on devices beyond mobile phones. For fintech to be truly meaningful to humanity it must be ubiquitous in access to all.

Ian Lee
CEO, Asia Pacific
The Adecco Group

Besides the unbanked, there are large uninsured and under-insured populations as well as those with insufficient retirement planning that need improved access to financial services. As the world of work rapidly transforms, fuelled by the rising number of freelancers and independent contractors, labour and social policies need to keep up. We need to change how these policies are administered - from being predominantly tied to employment or employers to becoming individual, portable and transferable. This would help to make all forms of work equitable and fuel opportunity and choice in an increasingly diverse world of work. Fintech, together with the underlying blockchain technology, can be a key enabler of this transformation.

Jessie Xia
Managing Director, Southeast Asia
ThoughtWorks

Fintech, or any emerging technology in general, has the ability to empower or divide communities. In particular, the elderly and underserved segments are especially at risk of being left behind, as they may not have access or the knowledge to leverage new platforms and devices. When implementing new technologies, companies and governments need from the onset to be conscious about understanding the needs and capabilities of these groups. Dedicated focus groups and continuous prototype testing can help uncover these insights, and post-implementation evaluations can ensure that positive adjustments are incrementally made to include more diverse societal groups. This is all part of the agile methodology that ThoughtWorks champions in the tech development process.

Lim Soon Hock
Managing Director
PLAN-B ICAG Pte Ltd

A key driver of fintech is blockchain, which I consider to be the next Internet. The Internet of Information (driven by search engines, such as Google) has transformed to become the Internet of Value (fuelled by e-commerce, such as Alibaba) and fast evolving to become the Internet of Trust (driven by blockchain). The world for the first time can enjoy more trust in transactions of assets. Through blockchain, fintech will become more inclusive, than exclusive. For example, through digital currencies and digital payments, the more than two billion people who are under-banked and under-served in emerging economies, will be now able to transact. This will be good for all businesses, irrespective of their locations.

Annie Yap
CEO
AYP Group

Despite the convenience that fintech brings about, it still lacks "human touch". Who and where are users going to turn to when they face issues? From what I've seen thus far, customer service is an area that can be further improved to enhance the experience and retain (as opposed to deter) users.

Many shops in Singapore continue to adopt cash-only payment models. A quick look at China and India will depict a different story where mobile payments are literally ubiquitous. Such financial alternatives will unquestionably bring greater convenience for customers while also allowing easier bookkeeping for businesses, with each transaction being trackable and recordable.

Zaheer K Merchant
Regional Director (Singapore & Europe)
QI Group of Companies

Similar to traditional financial institutions, fintech has an opportunity to foster the global community of small businesses and entrepreneurs. The success of 51Give (an e-commerce platform to facilitate charity giving in China) and the entire micro-finance industry shows that there is a profitable place for those institutions to include those usually excluded. However, as MAS's Ravi Menon observed, there is more for governments to do. Further investment by domestic and macro-governmental organisations through fintech can raise the socioeconomic status of many people and prepare them for a competitive world heavily reliant on technological literacy.

Hari V Krishnan
CEO
PropertyGuru Group

PropertyGuru believes that there is a large role for fintech to play in making the process of purchasing a home easier, especially when consumers are looking at and applying for mortgages. Currently, only certain elements of the mortgage process have been digitised, such as comparing different mortgage options. However, fintech can play a much larger role in transforming the end-to-end mortgage experience.

Consumers still seek full transparency over all the mortgage options available, and need improved updates on each part of the process, from mortgage brokers, banks, conveyancing lawyers and the CPF Board. Duplicated document requests are a massive nuisance today and solving this flow could speed up the mortgage process.

Allan Tan
Managing Partner
Ying Communications

With any new technology, social adoption is often a bigger challenge than the technology itself. Despite Singapore's fintech push, consumer adoption remains disappointingly low. The current furore around fintech reflects the enthusiasm of the industry and investors, and not of the end-users' concerns. The barriers to adoption will remain as long as companies do not tailor their outreach to convince their end-users the value of fintech.

David Leong
Managing Director
PeopleWorldwide Consulting

Fintech is re-designing and re-framing all transactions between countries, between companies and between people. It will cut through all levels and layers of economic and social strata. No business or sector can be excluded from the way capital flows.

Financial access will be broad and deep globally with technology built on trust and transparency.