



FinTrack

Tracking innovation in financial services

Introducing FinTrack, GlobalData's financial innovations tracker.

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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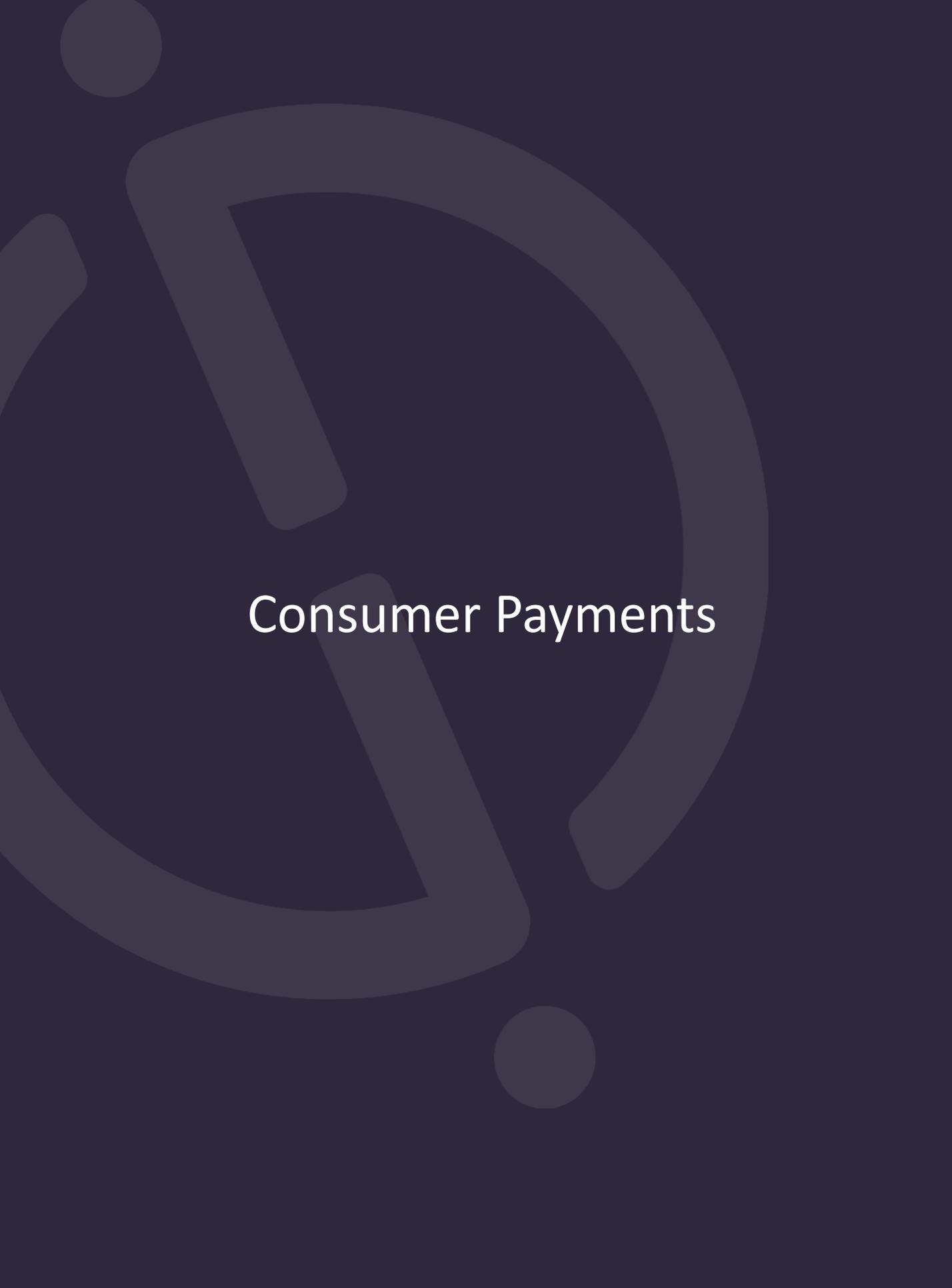
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Consumer Payments



In an effort to rival Apple Pay, Google is doubling down on its entry into banking and payments. Seeing rival Apple's relative success with its credit card and with consumers getting more and more acclimated to tech companies handling their money, Google is giving a second shot to its debit card after closing the project in 2016.

Is it original?

No. Google is not the first tech giant to venture into banking and payments. Companies like Apple have already released a credit card with decent success. With this debit card, Google is essentially playing a game of catch-up on a product. Google Pay already has card integration from other providers as well as NFC payment methods. The debit card will only further offer a payment method via the Google ecosystem in partners.



Is it long-lasting?

Yes. Given how many services Google offers and the size of its user base, even if a small number of consumers end up using Google's debit card, it would still be a success for the company. Google also does not have any problems with the entry barrier in the industry of producing cards as it already has both the capital and the infrastructure for it.



Is it operationally game-changing for the provider?

No. In the end, it is only a feature on top of an existing banking and payments ecosystem that the company is already building. It will extend the services already offered but will not massively change the way that Google operates its fintech division.



Will it significantly improve the user experience?

Yes. More competition and more choice is always good for the end user. It makes companies try to have the best offer while lowering the cost of the service or product. For people who have a good portion of their online services with Google, this will help streamline their banking needs with the myriad of other Google services.



Is it market-changing?

No. Google's debit cards itself will not change very much in an industry that is already digitizing banking. Cards have existed for many decades already. The only aspect of it changing now is other companies becoming payments providers.



TOTAL SCORE

2/5



Insurance



Understory provides parametric hail insurance specifically for auto dealers in the US. Understory installs its Dot sensor at each insured dealership, and settlements are immediately triggered once the hail conditions meet the agreed terms.

Is it original?

No. Understory is not the first provider of parametric hail insurance. AXA also provides parametric insurance that protects against hail damage, but the insurer does not specifically cater to auto dealerships.



Is it long-lasting?

Yes. Hail causes billions of dollars worth of damage in the US every year. According to a study published by the Nature Climate Change journal, hailstorms will become less frequent but more damaging due to climate change. Increasing costs have led to insurers pulling out of hail-prone areas.



Is it operationally game-changing for the provider?

Yes. Parametric insurance will reduce operational costs for insurers by eliminating the need for loss adjusters. It will also eliminate customer disputes due to policy wording, since claims are paid based on measurable and objective criteria. Both of these will benefit Understory.



Will it significantly improve the user experience?

Yes. Policyholders will no longer have to wait a long period of time for loss adjusters to settle claims, since payouts are not dependent on the extent of damage incurred but rather on hail conditions. Policyholders also benefit from having no deductible when making a claim.



Is it market-changing?

Yes. With climate change making hailstorms more damaging, Understory's parametric insurance model will be more popular for auto dealerships in hail-prone areas. The vast majority of a dealer's business is tied up in its inventory, which can be destroyed by hailstorms. Dealerships therefore face high levels of liquidity risk, which quick payouts from parametric insurance can alleviate.



TOTAL SCORE

4/5

OneDegree looks to make the rare move from pet to cyber



OneDegree is a Hong Kong-based digital pet insurer. It promises a fully digital process and claims payouts within two days. It received its virtual insurance license in Hong Kong in April 2020, meaning it can sell non-life insurance online directly to consumers.

Is it original?

Yes. While its current offering is one of a modern, digital pet insurer and therefore not completely original, its plans are. It intends to use its virtual insurance license to move beyond pet insurance and offer health and cyber insurance. Moving from pet insurance into other lines, especially cyber, is rare in the insurance industry. It was also the first independent insurance company to start online and be granted a license.



Is it long-lasting?

Yes. Its own market research shows that Hong Kong has a high pet population, but only 3% of pet owners insure their pets. Therefore, there is a huge growth opportunity for the insurer. Furthermore, OneDegree raised \$30m in series-A funding in 2019, so it is an extremely well-backed startup. This will be especially helpful given the incredibly difficult time for businesses at present.



Is it operationally game-changing for the provider?

No. There is nothing groundbreaking about the products. They focus on digitalization and simplicity, but there doesn't look to be any operational change for the insurer.



Will it significantly improve the user experience?

Yes. End-to-end digitalization and targeting the direct-to-consumer channel will be invaluable after COVID-19. The pandemic is also likely to alter the way that businesses operate for many years. A key trend looks likely to be contactless sales and selling direct to consumers to cut down on costs. OneDegree does both of these.



Is it market-changing?

No. Its standout original feature aims to specialize in niche and specialist areas of pet and cyber. The latter, especially, sees a lot of cyber experts who only operate in that one product line. However, selling online-only products across a range of products is a long-term trend within the industry.



TOTAL SCORE

3/5



SafetyWing

SafetyWing has launched Remote Health, the first global health insurance plan that gives employers the ability to provide global health insurance across 175 countries for both employees and contractors. As a result, companies can provide comprehensive cover for their entire team, whether they work on-site or remotely. The cost of premiums varies according to the team size, but the larger the team the cheaper the cost of coverage.

The First Insurance For Digital Nomads designed by digital nomads.

SafetyWing



Is it original?

Yes. Despite the growing number of independent workers, health insurance products for self-employed or remote workers remain limited to traditional insurance services, making it difficult for these individuals to find affordable healthcare. Remote Health delivers a creative approach for much-needed affordable multi-country health cover.



Is it long-lasting?

Yes. Due to the broad range of cover that Remote Health offers, the insurer will be able to meet the extensive health needs of global workers. Plans include a \$1m overall coverage limit, a full refund on hospital bills, an emergency ambulance, and possible add-ons such as dental maternity and zero dollar deductibles.



Is it operationally game-changing for the provider?

No. SafetyWing's insurance services are centered around remote health coverage. The first product the insurer launched was Nomads Insurance – medical travel insurance that provided instant global cover for policyholders. As such, Remote Health builds on the already developed platform of the insurer.



Will it significantly improve the user experience?

Yes. Freelance and remote workers do not tend to purchase health insurance plans on their own, especially if they are not based in one particular country. Remote Health changes the way freelance and remote workers can access and experience insurance coverage.



Is it market-changing?

Yes. SafetyWing targets the complex health insurance market faced by global freelancers, entrepreneurs, and distributed teams. It offers the ability to provide healthcare cover for businesses of all sizes across the world and a simple-to-use product for an incredibly diverse industry and sector.



TOTAL SCORE

4/5



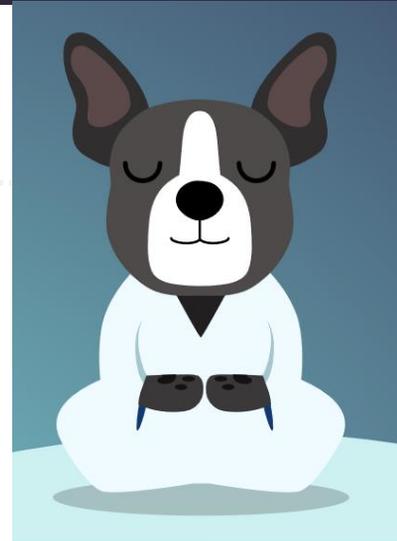
Retail Banking



wollit.

for a smoother life

The product is targeted at the 43% of the UK workforce without a stable income. By connecting to the user's bank account, Wollit calculates the amount of money it is prepared to guarantee, called an income promise. If users earn less than that promise, Wollit will top up their monthly income as an interest-free loan, paid back at their time of choosing for a fee of £9.99 a month. Wollit is looking to partner with employers as a financial wellness scheme. Wollit cites increased employee performance through lower levels of stress, anxiety, depression, and sleeplessness.



Is it original?

Yes. Trezeo also provides income smoothing for self-employed individuals, but partnering with employers to deliver this kind of financial wellness is a new concept.

Is it long-lasting?

Yes. GlobalData's 2019 Banking and Payments Survey found a pre-agreed loan with flexible payback appealed to 21% of consumers overall, rising to 32% of respondents with personal loans and 43% whose most recent loan was with a payday or short-term lender. Income guarantee products like Woolit would therefore have strong appeal among these consumers, who typically struggle with their finances.

Is it operationally game-changing for the provider?

Yes. Instead of charging interest for an overdraft or personal loan based on past reliability to pay, Wollit calculates the user's most likely average income, based on payslip data from the last three months.

Will it significantly improve the user experience?

Yes. Having Wollit will allow self-employed users to cope with large, regular payments (such as rent and tax) without having to resort to a loan. Indeed, a loan may not even have been a possibility if their irregular income meant they could not prove their creditworthiness. Additionally, users will not have to rely on overdrafts.

Is it market-changing?

No. Income smoothing is unlikely to disrupt the personal loans market as it is mainly used by full-time employees.



TOTAL SCORE

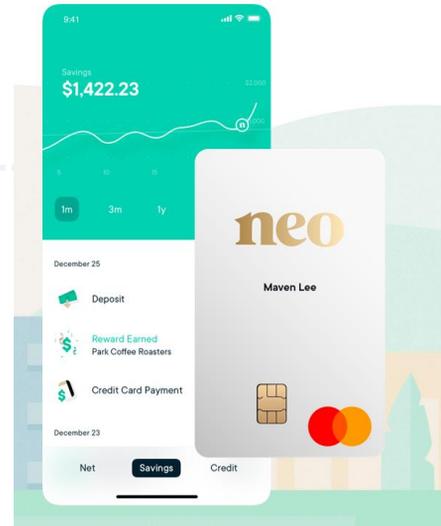
4/5

Neo Financial provides a new way to spend and save



neo

The company offers credit cards with personalized rewards, designed to foster a relationship with the customer's chosen brands, reward loyalty, and incentivize spending. Neo has partnered with thousands of merchants, some of which are small or local players that can use the partnership to offer timed promotional rewards and differentiate themselves from their competitors. Customers will also receive a checking and a savings account, along with budgeting and spending insights through the Neo app. There are no annual fees and customers can also use the card to build up their credit score.



Is it original?

No. While Neo is the first to fully implement this idea into its product offering, Mastercard has already partnered with Uber to provide users' sixth Uber ride for free.



Is it long-lasting?

Yes. GlobalData's *Payment Cards Analytics* database shows a continuously declining trend in the value of credit card transactions, from \$97 in 2008 to \$75 in 2019. This shows credit cards are a well-established features of the Canadian lending market as consumers are becoming increasingly comfortable using credit cards for everyday purchases.



Is it operationally game-changing for the provider?

Yes. Rather than a percentage point reward system that can be difficult to claim back, customers can use personalized rewards and offers like every sixth coffee for free or 10% off for a \$25 spend.



Will it significantly improve the user experience?

Yes. As well as the personalization of rewards, a credit card linked to an app with budgeting capabilities and spending insights allows customers to use a credit card but remain on top of their payments.



Is it market-changing?

Yes. GlobalData's 2020 Banking and Payments Survey found that a personalized service was important to 57% of consumers. Greater personalization will also benefit merchants with a new marketing channel to re-engage customers, producing higher ROI.



TOTAL SCORE

4/5



Wealth Management



Ikigai is a London-based wealth management and banking app that will be launching in the UK in 2020. The wealth management part of the app allows users to create a digital investment portfolio based on their risk appetite and charges a subscription fee of £20 per month, with no minimum investment. The banking side of the app allows users to set up a UK banking account and manage their account, and comes with a Visa card that can be used for spending.



Is it original?

Ikigai is not the first to combine wealth management and banking. The likes of Wealthfront in the US and Moneybox in Europe are combining the two through digital apps.



Is it long-lasting?

Providing a holistic financial service is a forward-thinking approach. Demand for digital finance apps is increasing, especially among younger individuals. And Ikigai's partnership with regtech TruNarrative should also help ensure its longevity. TruNarrative will aid with onboarding and will protect accounts from financial crime.



Is it operationally game-changing for the provider?

Ikigai's wealth management and banking app is the first product from the company.



Will it significantly improve the user experience?

Providing both wealth management and banking services through one app is beneficial for users, as it means they can manage their finances in one place. Subscription services should also prove a popular alternative as opposed to the complexity of fees, yet they remain a rarity in the wealth management app space at the moment.



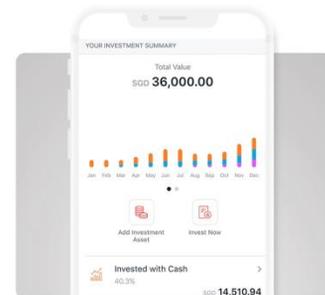
Is it market-changing?

Ikigai ticks many boxes by being holistic and subscription-based, as well as partnering with a regtech. However, as others in the market provide similar services, Ikigai will not be the catalyst that shifts the market.



TOTAL SCORE

3/5



DBS has launched NAV Planner, a new digital financial planning service for internet and mobile banking users. The solution aims to enhance the financial literacy of customers by allowing them to plan and monitor their financial goals through guided insights and recommendations. The app also provides customers with a personalized balance sheet, offering them a full overview of their cash savings, loans, insurance protection, and investments held with DBS. DBS customers can use this service at no extra cost.

Is it original?

DBS is not the first to introduce a digital financial planner. Incumbents such as Citi have their own version, and startups such as Multiply in the UK have a similar product.



Is it long-lasting?

The service is designed to aid DBS customers with their financial planning, providing financial literacy and recommendations digitally as opposed to purely in person and thus helping to drive loyalty among customers.



Is it operationally game-changing for the provider?

No. NAV Planner is simply an additional feature available via established platforms, and thus will have minimal impact on DBS's operations.



Will it significantly improve the user experience?

Yes. Customers will be more informed about how their finances are performing, from investments to loans. They will also be able to access personal recommendations on how to manage their money better – all for no extra cost.



Is it market-changing?

As there are already digital financial advisory apps in the market, from startups and incumbents alike, this service is unlikely to cause a market shift.



TOTAL SCORE

2/5

BIMB Investment launches Sharia-compliant robo-advisor



Malaysia's BIMB Investment, a subsidiary of Bank Islam Malaysia Berhad, announced the launch of its ESG and Sharia-compliant digital investment platform. Users submit their risk appetite and preferences and the app produces a personalized portfolio. BEST Invest allows investments into a suite of Sharia-ESG funds across asset classes such as global equities, sukuk, and money market funds. The minimum investment amount is MYR10, with annual management fees ranging from 0.5% to 1.8% depending on which funds are invested in.

Is it original?

BEST Invest is the first homegrown traditional asset manager in Malaysia to offer an ESG and Sharia-compliant robo-advisor. However, there are already similar platforms in the country, including Wahed Invest, which entered Malaysia in October 2019.

Is it long-lasting?

The majority of the Malaysian population follow the Islamic faith, so providing a Sharia-compliant service expands the company's potential customer base. And as per our *Technology and Robo-Advice Analytics* dashboard, demand for robo-advice is forecast to increase by 72% in Malaysia in 2020.

Is it operationally game-changing for the provider?

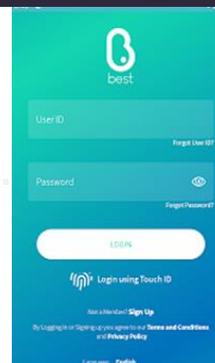
No. Although this is the first digital wealth management platform BIMB Investment has launched, is already has an established a mobile banking app.

Will it significantly improve the user experience?

BIMB Investment customers will welcome such a service, as demand for digital investment apps is on the rise in the country. Being able to invest in line with their faith will be important to many customers, and the fees are competitive with Wahed Invest.

Is it market-changing?

No. For BEST Invest to be market-changing it would have needed to be pioneering. As there are already Sharia-compliant robo-advisors in the country – and other parts of the world – this service is unlikely to cause a shift in the market.



TOTAL SCORE

2/5

Definition of parameters

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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